IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.10.2024

CORAM

THE HON'BLE MR.JUSTICE R.SURESH KUMAR
AND
THE HON'BLE MR.JUSTICE C.SARAVANAN

Tax Case Appeal No.297 of 2022

The Principal Commissioner of Income Tax-I
Chennai. .... Appellant

Vs.

Smt.Amudha Sukumar .... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'B' Bench, Chennai, dated 12.04.2022 made in I.T.A.No.883 of 2016.

For Appellant : Mr.T.Ravikumar
Senior Standing Counsel

For Respondent : Mr.Suhrith Parthasarathy

JUDGMENT
(Delivered by R.SURESH KUMAR, J.)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Chennai by raising the following substantial questions of law:

"(i) Whether on the facts and circumstances of the case, the Tribunal was right in holding that the excess amount of Rs.7 Crores received by the Assessee from KGS Developers Ltd as compensation was liable to be taxed as long term capital gains in the hands of the Assessee even though there was no transfer of any capital assets?

(ii) Is not reasoning and finding of the Tribunal bad since the excess amount of Rs.7 Crores earned by the Assessee was due to the forfeiture clause in the agreement which has resulted in earning income from other sources only and being a revenue receipt has to be assessed under the said head?

2. It is brought to our notice by the learned Standing Counsel for the appellant Revenue that in the instant case, as per the CBDT's Circular No.9 of 2024 dated 17.09.2024 the tax effect is said to be less than the monetary limit imposed and therefore, the appeal can be disposed of, keeping the substantial questions of law raised in this appeal open for adjudication at a later point of time.

3. It is further submitted by the learned Standing Counsel that to an e-mail communication dated 04.10.2024 requesting instructions as to whether this case is covered under low tax effect, the reply given by the Revenue is in the affirmative. Therefore, based on such instructions from the Revenue, the learned Standing Counsel submits that this appeal can be disposed of.

4. Recording the aforesaid submission made by the learned Standing Counsel for the appellant Revenue, this Tax Case Appeal is dismissed for low tax effect, keeping open the substantial questions of law for adjudication at appropriate stage. No costs.

(R.S.K.,J.) (C.S.N.,J.)
19.10.2024

NCS : Yes/No
Index : Yes/No
KST

To

The Income Tax Appellate Tribunal
'B' Bench, Chennai.

R.SURESH KUMAR, J.

AND
C.SARAVANAN, J.

KST

T.C.A.No.297 of 2022

19.10.2024