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.200 of 2024

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

Vs.

Keezhayur Sowrirajan Sreenivasan .... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'D' Bench Chennai, dated 15.06.2022 made in I.T.A.No.2369/Chny/2019.

For Appellant : Mr.T.Ravikumar
Senior Standing Counsel

For Respondent : Mr.K.Senguttuvan

J U D G M E N T
(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 the Tribunal was justified in holding that the sum of Rs.484,75,000/- received by the Assessee from Landmark Construction is liable to be taxed as long term capital gains overlooking the fact that there was no transfer of capital assets in the first instance?

(ii) Whether compensation received by the Assessee from Landmark Construction is to be taxed as a long term capital gains or income from other sources?

(iii) Whether the reasoning and finding of the Tribunal is proper in relying on an unregistered MoU which is compulsorily registerable as per provisions of Section 17(1)(b) with effect from 24.09.2001 by the Registration Act, 1908 and also Section 49(c) of the Registration Act which clearly states that unregistered documents cannot be taken as evidence?

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
'D' Bench, Chennai.

R.SURESH KUMAR, J.

AND
C.SARAVANAN, J.

KST

T.C.A.No.200 of 2024

19.10.2024