IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 15/6/2016

C O R A M

The Honourable **Mr.Justice S.Manikumar**
and
The Honourable **Mr.Justice D.Krishnakumar**

Tax Case Appeal No.1983 of 2008

The Commissioner of Income Tax
Erode. ... Appellant

Vs

The Kodumudi Growers Co-operative
Bank Ltd
6/64 Bazar Street
Kodumudi 638 151. ... Respondent

Prayer: Appeal filed against the order of the Income Tax Appellate Tribunal, Madras 'D' Bench, Chennai dated 19/3/2008 in ITA No.220 (Mds)2008.

For appellant : Mr.T.R.Senthil Kumar
Senior Standing Counsel
for Income Tax.

For respondent : M/s.G.R.Associates

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<u>J U D G M E N T</u>

<u>(Judgment of the Court was made by S.Manikumar,J)</u>

This Appeal has been filed against the order of the Income Tax Appellate Tribunal, 'D' Bench, Madras, dated 19/3/2008.

2. The substantial questions of law raised in the instant appeal are:-

> "1. Whether on the facts and in the circumstances of the case, the Income Tax Tribunal is right in law in holding that deduction under Section 80P(2) (a) (i) of the Income Tax Act is to be allowed in respect of interest income received from Indira Vikas Patra?
>
> 2. Whether on the facts and in the circumstances of the case, the Income Tax Tribunal is right in law in not considering the fact that the judgment relied on by it in the case of CIT-Vs-Ratnagiri District Co-

> operative Bank Ltd reported in 254 ITR page 697 (BOM) is distinguishable on facts as it was a case wherein IVKs were purchased out of funds generated from banking business while so in the present case it is admittedly the interest income earned was from income other sources and not business income?”

3. Mr.T.R.Senthil Kumar, learned Senior Standing Counsel for Income Tax submitted that the tax implication in the instant appeal is less than the ceiling limit fixed by the Circular bearing No.21 of 2015, dated 10/12/2015. He further submitted that as per the Circular, Tax Case Appeals have been instructed to be withdrawn, subject to the matters covered under the circular.

4. Placing on record the above submissions, while dismissing the Tax Case Appeal No.1983 of 2008, as withdrawn, substantial questions of law raised are left open. No costs.

(S.M.K.,J) (D.K.K.,J)
15th June 2016.

mvs.

S.MANIKUMAR,J

a n d

D.KRISHNAKUMAR,J

mvs.

<u>Tax Case Appeal No.1983 of 2008</u>

<u>15/6/2016</u>