IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26.06.2018

CORAM :

The Hon'ble Ms.INDIRA BANERJEE, CHIEF JUSTICE

AND

The Hon'ble Ms.JUSTICE P.T.ASHA

T.C. (A) No.243 to 245 of 2018
and C.M.P.Nos.4390 and 4391 of 2018

Commissioner of Income Tax
Non Corporate Circle 11,
Chennai. .. Appellant in all TCAs.

-vs-

Chennai Central Co-operative Bank
Limited, C/o.Ramesh & Ramachandran,
Chartered Accountants, New No.39,
Old No.29/3, Viswanathapuram Main Road,
Kodambakkam, Chennai 600 024. .. Respondents in all TCAs.

Appeals filed under Section 260-A of the Income Tax Act, 1961, against the common order dated 19.05.2017 passed in I.T.A. Nos.802/Mds/2017, 803/Mds/2017 and 804/Mds/2017 by the Income Tax Appellate Tribunal, 'B' Bench, Chennai, in respect of Assessment Years 2009-2010, 2010-2011 and 2013-2014 against the order made in ITA Nos.24/CIT(A) 13/2009-10, 25/CIT (A) 13/2010-11 and ITA No.51/CIT(A) 13/2013-14 dated 24.03.2017 of the Commissioner of Income Tax (Appeals)-13 121, Mahatma Gandhi Road, Chennai-34 and against the Order in PAN NO.AAAAC0982C of the Deputy Commissioner of Income Tax NCC11, Chennai-6 for the Assessment Year 2009-10, 2010-11 and 2013-2014, dated 23-3-2016 and 26/03/2016, respectively.

For Appellant : Mr.M.Swaminathan
Stng. Counsel

For Respondent : Mr.A.S.Sriraman

J U D G M E N T

(Delivered by Ms.Indira Banerjee, Chief Justice)

These appeals filed by the Revenue are against a common order dated 19.05.2017 passed by the Income Tax Appellate Tribunal in I.T.A. Nos.802/Mds/2017, 803/Mds/2017 and 804/Mds/2017, whereby the appeals of the respondent/assessee have been allowed, inter alia, holding that a co-operative bank is not required to deduct tax at source on interest on time deposits of its members paid or credited before 1st June, 2015.

2.The Revenue has raised the following questions, which, according to the Revenue, are substantial questions of law:-

i. Whether the Tribunal was correct in holding that exemption from section 194A (3) (v) was available to the assessee society, despite the fact it carried on banking activities ?

ii. Whether the Tribunal was right in holding that the assessee society has no legal obligation to deduct TDS from interest on time deposits paid to the members and it is applicable only from 01.06.2015 ?

3.The questions have been answered in favour of the assessee and against the Revenue by a judgment of a Bench of co-ordinate strength of this Court in Coimbatore District Central Co-operative Bank Limited vs. Income Tax Officer, TDS Ward-I (5), Coimbatore, reported in (2016) 65 taxmann.com 1 (Mds) :: (2016) 382 ITR 266.

4.As a Bench of co-ordinate strength, we deem it appropriate to follow the aforesaid judgment and order. The appeals are, therefore, not entertained and the same are dismissed. No costs. Consequently, C.M.P.Nos.4390 and 4391 of 2018 also stand dismissed.

Sd/-
Assistant Registrar(CS VI)

//True Copy//

Sub Assistant Registrar

sra

To

1.The Assistant Registrar,
Income Tax Appellate Tribunal,
'B' Bench, Chennai.

2.The Commissioner of Income-Tax
(Appeals)-13, 121, Mahatma Gandhi Road,
Chennai-34.

3.The Deputy Commissioner of Income
Tax, Non-Corporate Circle 11,
Chennai-6.

4.The Commissioner of Income Tax,
Non-Corporate Circle II,
Chennai.

5.The Assistant Registrar,
Income Tax Appellate Tribunal,
Rajaj Bhavan, Besant Nagar,
Chennai.

+1cc to Mr.M.Swaminathan, Advocate Sr.40711

T.C. (A) Nos.243 to 245 of 2018

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srg 17/07/2018