In the High Court of Judicature at Madras

Dated : 27.08.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.540 of 2015

The Commissioner of Income Tax,
Chennai. ...Appellant

Vs

M/s.Tamil Nadu Co.op. State Agricultural &
Rural Development Bank Limited,
181, Luz Church Road, Mylapore,
Chennai - 600 004. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 01.05.2014 made in ITA.No.1318/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2009-10.

against the Order of the Commissioner of Income Tax, Chennai VI, Chennai dated 30.01.2013 against the order of the Assistant Commissioner of Income Tax, Circle - II, Chennai dated 29.12.2011.

For Appellant : Mr.T.Ravikumar, SSC
and Ms.R.Hemalatha, SSC

For Respondent: Mr.R.Venkatanarayanan
for M/s.Subbaraya Aiyar Padmanabhan

JUDGMENT
(Judgment was delivered by T.S.Sivagnanam,J.)

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel, and Ms.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant/revenue and Mr.R.Venkatanarayanan, learned counsel for M/s.Subbaraya Aiyar Padmanabahan, learned counsel appearing for the respondent/assessee.

2.This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated

01.05.2014 made in ITA.No.1318/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2009-10.

3.The appeal was admitted on 23.07.2015 on the following substantial questions of law :

> "i) Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in holding that the assessee is entitled to claim deduction under Section 80P of the Income Tax Act?
>
> ii) Is not the finding of the Tribunal bad by holding that the assessee is not in banking business and not a cooperative bank hit by provisions of Section 80P(4) of the Income Tax Act?
>
> iii) Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the revenue has failed to provide that the assessee is covered by Explanation (a) and (b) of Section 80P(4) without appreciating the fact that the assessee's activity are not confined to a Taluk as stipulated in the Explanation pertaining to Primary Cooperative Agricultural and Rural Development Bank?"

4.The learned Senior Standing Counsel for the appellant submits that the above appeal is not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019 dated 08.8.2019 issued by the Central Board of Direct Taxes. By the said Circular, the monetary limit for filing or pursuing an appeal before the High Court has been increased to Rs.1 Crore. It is further submitted that the tax effect in this case is less than the threshold limit.

5.In the light of the said submissions, the above tax case appeal is dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect is above the threshold limit fixed in the said circular, liberty is granted to the Revenue to make a mention to this Court to restore the appeal to be heard and decided on merits. No costs.

Sd/-

Assistant Registrar (CS-V)

//True Copy//

Sub Assistant Registrar

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To

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

2.The Commissioner of Income Tax (A)-VI,
Chennai-34.

3.The Assistant Commissioner of Income Tax,
Circle II, Chennai.

+1cc to Mr.Subharaya Aiyar Padmanabhan, Advocate, S.R.No. 73642
+1cc to Mr.T.Ravi Kumar, Advocate, S.R.No. 73329

TCA.No.540 of 2015

PPA(CO)
GN(31/10/2019)