IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 21.01.2020
CORAM :
THE HONOURABLE MR.JUSTICE N.KIRUBAKARAN
and
THE HONOURABLE MR.JUSTICE P.VELMURUGAN

T.C.A.No.665 of 2019

Principal Commissioner of Income Tax 2,
No.63, Race Course Road,
Coimbatore. ... Appellant

Vs

M/s.Thudiyalur Co-operative Agricultural
Services Ltd.,
No.1, Mettupalayam Road, Thudiyalur,
Coimbatore - 641 034.
PAN: AAA AT 3838 L ... Respondent

PRAYER: Tax Case Appeal filed under Section 260A of Income Tax Act, 1961 against the order dated 06.02.2019 in I.T.A.No.2278/Chny/2017 on the file of the Income Tax Appellate Tribunal Chennai 'C' Bench for the assessment year 2007-08, against the order dated 15/06/2017 and made in Appeal No.1/17-18 on the file of the Commissioner of Income Tax (Appeals)-3, Coimbatore and against the order dated 26/10/2016 and made in ITA No.2830/Mds/2014 on the file of the Income Tax Appellate Tribunal Chennai 'D' Bench, Chennai, and against the order dated 08.09/2014 and made in Appeal No.274/13-14 on the file of the Commissioner of Income Tax (Appeals)-I, Coimbatore and against the Order dated 01/03/2013 and made in PAN AAAA t3838L on the file of the Income Tax Officer, Company Ward-I, Coimbatore.

For Appellant : Mr.T.R.Senthil Kumar,
Senior Standing Counsel.

For Respondent : Mr.M.Kaushik for Mr.S.Sridharan

J U D G M E N T

(Judgment of the Court was delivered by N.KIRUBAKARAN, J)

This tax case appeal has been filed against the order of the Income Tax Appellate Tribunal dated 06.02.2019 in I.T.A.No.2278/Chny/2017 in allowing the appeal filed by the assessee against the order of the Commissioner of Income Tax (Appeals) by which the appeal filed by the assessee was dismissed.

2.Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel for the appellant.

3.This tax case appeal is admitted on the following substantial question of law:

> "Whether on the facts and in the circumstances of the case, the Hon'ble Tribunal is right in law in holding that the assessee is eligible for deduction under Section 80P(4) of the Income Tax Act, when there is violation of Explanation (a) below Section 80P(4) read with the provisions of Section 5 (cciv) and (ccv) of the banking Regulation Act?"

4. Mr.T.R.Senthil Kumar, learned Senior Standing Counsel appearing on behalf of the appellant would submit that the tax effect in this case is less than Rs.1 crore and is covered by Circular No.17/2019 dated 08.08.2019 issued by the Director, Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, Delhi. As per the said circular, the monetary limit to file an appeal before the High Court is fixed at Rs.1 crore. In this case, tax effect is less than Rs.1 crore and therefore, the appeal has to be dismissed.

5.This Court perused the circular dated 08.08.2019 and Paragraph No.2 of the Circular, which prescribes monetary limit for filing appeal. Paragraph No.2 is usefully extracted as follows:

> "2.As a step towards further management of litigation, it has been decided by the Board that monetary limits for filing of appeals in income-tax cases be enhanced further through amendment in Para 3 of the Circular mentioned above and accordingly, the table for monetary limits specified in Para 3 of the Circular shall read as follows:

S.No.	Appeals / SLPs in Income-tax matters	Monetary Limit (Rs.)
1.	Before Appeallate Tribunal	50,00,000
2.	Before High Court	1,00,00,000
3.	Before Supreme Court	2,00,00,000"

6.In view of the submissions made by the learned counsel appearing on behalf of the appellant and also in view of the Circular No.17/2019 dated 08.08.2019 issued by the Director, Central Board of Direct Taxes, Delhi, this Tax Case Appeal is dismissed on account of tax effect. However, the substantial question of law framed is left open. In the event the tax effect is above the 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-III)

// True Copy//

Sub Assistant Registrar

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To

1. The Principal Commissioner of Income Tax 2, No.63, Race Course Road, Coimbatore.

2. The Income Tax Appellate Tribunal, 'C' Bench, Chennai.

2. The Commissioner of Income Tax Appeals(3), Coimbatore.

4. The Income Tax Appellate Tribunal, 'D' Bench, Chennai.

5. The Commissioner of Income Tax Appeals(1), Coimbatore.

6. The Income Tax Officer, Company Ward-I, Coimbatore.

+1cc to Mr.T.R.Senthilkumar, Advocate, SR.4593.
+1cc to Mr.S.Sridhar, Advocate, SR.3637.

T.C.A.No.665 of 2019

VD(CO)
CSR: 26.02.2020