

IN THE INCOME TAX APPELLATE TRIBUNAL
BANGALORE BENCH 'SMC-C', BANGALORE

BEFORE SHRI A.K.GARODIA, ACCOUNTANT MEMBER

ITA Nos.1584 to 1587 (Bang) 2017
(Assessment years : 2007 – 08 to 2010 – 11)

The ITO ward – 6 (2) (4),
Bengaluru.

Appellant

Vs

M/s. BEL Employees House Building Co-operative Society Ltd.,
C – 92, BEL Colony, Jalahalli Post,
Bangalore – 560013.
PAN. AABAB2034P

Respondent

Assessee by : None
Revenue by : Shri Palani Kumar, Addl. CIT

Date of hearing : 23-11-2017
Date of pronouncement : 29-11-2017

ORDER

PER A. K. GARODIA, A.M.:

These four appeals are filed by the revenue which are directed against a combined order of CIT (A) – (6) Bengaluru dated 24.02.2017 for A. Ys. 2007 – 08 to 2010 –11.

2. Notice of hearing was duly served on the assessee as per acknowledgement available on record but in spite of this, none appeared on behalf of the assessee and there is no request for adjournment and therefore, these appeals were heard ex parte qua the assessee.
3. At the very outset, it was pointed out by the bench that in two years i.e. A. Y. 2007 – 08 and 2008 – 09, the tax effect is below Rs. 10 lacs because the assessed income itself is Rs. 665,279/- and Rs. 899,130/- respectively as noted in Para 3B of Form 36. The bench pointed out that returned income was nil in both these years and therefore, even if the entire addition is deleted by CIT (A) and appeal is filed by the revenue for entire such deletion than also, the tax

effect will be much below Rs. 10 lacs and as per the latest CBDT instructions, the revenue is not supposed to file an appeal before the tribunal if tax effect is less than Rs. 10 Lacs. The bench wanted to know as to how these two appeals are maintainable because of low tax effect. In reply, Learned DR of the revenue had nothing to say and he simply supported the assessment order.

4. In view of the above discussion, these two appeals of the revenue are dismissed as not maintainable on account of low tax effect.
5. In respect of the remaining two appeals, the only one common issue involved is regarding allowability of deduction u/s 80P (2) (d) of I T Act interest income from banks. Learned DR submitted that this issue is covered against the assessee by the judgment of Hon'ble Karnataka High Court rendered in the case of PCIT vs. Totagars Co Operative sale Society as reported in 395 ITR 611.
6. I have considered the submissions of the learned DR of the revenue and respectfully following this judgment cited by him, I reverse the order of CIT (A) and restore that of the AO.
7. In the result, these two appeals of the revenue are allowed.
8. In the combined result, the appeals of the revenue for A. Ys. 2007 – 08 & 2008 – 09 are dismissed and the remaining two appeals are allowed.

Order pronounced in the open court on the date mentioned on the caption page.

Sd/-
(A.K. GARODIA)
ACCOUNTANT MEMBER

Bangalore:
Dated : 29.11.2017
/MS/

Copy to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.
6. Guard file

By order

Senior Private Secretary,
Income Tax Appellate Tribunal,
Bangalore.