

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई।
IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH: CHENNAI

श्री एबी टी. वर्की, न्यायिक सदस्य एवं सुश्री पदमावती यस, लेखक सदस्य के समक्ष
BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
MS. PADMAVATHY.S, ACCOUNTANT MEMBER

आयकर अपील सं./ITA Nos.3691, 3692, 3693 & 3694/Chny/2025
निर्धारण वर्ष /Assessment Years: 2019-20, 2020-21, 2021-22 & 2022-23

The Income Tax Officer,
TDS Ward,
Salem.

Idapadi Municipality,
Vs. No.155, Idapadi Municipality,
JKP Road, Idapadi Tk.,
Salem – 637 101.
PAN: AAALI 0093B

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Assessee by
प्रत्यर्थी की ओर से /Revenue by

: Mr. S.Bhupendran, Advocate (virtual)
: Dr. M.D. Vijay Kumar, JCIT

सुनवाई की तारीख/Date of Hearing
घोषणा की तारीख /Date of Pronouncement

: 18.02.2026
: 27.02.2026

आदेश / ORDER

PER PADMAVATHY.S, A.M:

These appeals by the revenue are against separate orders of the Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre (NFAC), Delhi, (in short "CIT(A)") passed u/s. 250 of the Income Tax Act, 1961 (in short "the Act") all dated 08.10.2025 for Assessment Year (AY) 2019-20 to 2022-23. The impugned order is emanating from the order passed u/s.201(1)/(1A) passed by the Assessing Officer (AO) for all these AYs.

2. The appellant deductor is a local body. An information was available to the department that TDS on various expenses was not deducted and remitted

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the Central Government Account by the assessee. Accordingly, notice u/s 133(6) of the Act was issued to the assessee and based on the response filed by the assessee it is noticed that interest was paid to M/s TUFIDCO without deduction of TDS as per the provisions of section 194A of the Act. The AO held that the assessee has defaulted in complying with provisions of section 194A of the Act and accordingly treated the assessee as assessee in default u/s 201(1) of the Act and charged interest u/s 201(1A) of the Act. Aggrieved, the assessee preferred appeal before the CIT(A). The CIT(A) deleted the addition made by the AO holding that since M/s TUFIDCO is a nodal agency, fully owned and controlled by the State Government the payments made by the assessee are to be considered as payments made to Government on which there is no requirement to deduct tax at source as per the provisions of section 194A(3)(iii)(f) of the Act. The revenue is in appeal before the Tribunal against the order of the CIT(A).

3. We heard the parties and perused the material on record. The Ld. AR, at the outset, submitted that the appeal filed by the revenue is not maintainable due to low tax effect. The Ld. DR did not controvert the said submission. We notice that the Central Board of direct taxes (CBDT) wide circular number 09/2024 dated 17 September 2024 has set the monetary limit of tax effect for filing the appeal by the revenue at Rs.60 lakhs. In the given case it is an undisputed fact that the tax effect is below the said limit for all the AYs i.e. AY 2019-20 to AY 2022-23 and therefore we are of the considered view that the appeal filed by the revenue is not maintainable on the ground of the tax effect are being below the monetary limit as fixed by the CBDT wide the above circular. Accordingly, we dismiss the appeals filed by the revenue on the ground of monetary limits.

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4. In result, all the appeals of the revenue for AY 2019-20 to AY 2021-22 are dismissed

Order pronounced on 27th day of February, 2026 at Chennai.

Sd/-
(एबी टी. वर्की)
(ABY. T. Varkey)

न्यायिक सदस्य / Judicial Member

Sd/-
(पदमवती यस)
(Padmavathy.S)

लेखा सदस्य /Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 27th February, 2026.

EDN, Sr. P.S

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF