**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

INCOME TAX APPEAL NO. 1544 OF 2014

The Commissioner of Income Tax-5 .. Appellant

v/s.

M/s. K. Girdharlal International Ltd. .. Respondent

Mr. Hriday Narain for the appellant
Dr. K. Shivram, Senior Counsel a/w Ms. Neelam Jadhav for the respondent

**CORAM : M.S. SANKLECHA &
PRAKASH D. NAIK, J.J.**

DATED : 17th FEBRUARY, 2017.

P.C.

1. This Appeal under Section 260-A of the Income Tax Act, 1961 (the Act) challenges the order dated 26th February, 2014 passed by the Income Tax Appellate Tribunal (the Tribunal). The impugned order is in respect of Assessment Year 2007-08.

2. The Revenue urges the following re-framed question of law for our consideration :-

(i) Whether on the facts and in circumstances of the case and in law, was the Tribunal justified in not applying Rule 8D

of the Income Tax Rules to disallow the expenditure under Section 14A of the Act for Assessment Year 2008-09?

3. We find that the impugned order of the Tribunal has allowed the respondent assessee's appeal by following the decision of this Court in ***DCIT Vs. Godrej & Boyce Manufacturing Co. Ltd. 328 ITR 81***, wherein it has been held that prior to Assessment Year 2008-09, the dis-allowance under Section 14A has to be by reasonable method and only from Assessment Year 2008-09 onwards, Rule 8D of the Income Tax Rules is to be applied. No fault can be found with the impugned order of the Tribunal in following the binding decision of this Court in Godrej and Boyce (supra).

4. Mr. Hriday Narain, learned Counsel for the Revenue submits that the Revenue has challenged the order of this Court in Godrej and Boyce (supra) before the Supreme Court and thus, seek to keep the present issue alive. We find that as the issue stands concluded by the decision of this Court in Godrej & Boyce (supra) and no order of stay has been produced before us, the impugned order of the Tribunal is unexceptional.

5. Accordingly, the question as framed does not give rise to any substantial question of law. Thus, not entertained.

6. The appeal is dismissed. No order as to costs.

(PRAKASH D. NAIK, J.) **(M.S. SANKLECHA, J.)**