



WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 01.09.2021

CORAM:

THE HON'BLE MR.JUSTICE T.S.SIVAGNANAM
AND
THE HON'BLE MR.JUSTICE SATHI KUMAR SUKUMARA KURUP

T.C.A.NO.377 OF 2016

Commissioner of Income Tax IV,
No.121, Nungambakkam High Road,
Chennai-600 034.

... Appellant/Respondent

Vs.

M/s. L&T Housing Finance Ltd.
(formerly known as Indo Pacific Housing
Finance Ltd.)
Unit No.205 & 206, 2nd Floor,
Capital Towers, Kodambakkam High Road,
Nungambakkam, Chennai-600 034.
PAN: AAA CW 1328 G

... Respondent/Appellant

Appeal filed under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras 'D' Bench dated 31.07.2015 in ITA No.328/Mds/2013, against the order passed by the Commissioner of Income Tax (Appeals) - III, Chennai - 34 made in ITA.No.614/2009 - 2010/A-III, dated 20.11.2012 and against the order passed by the Deputy Commissioner of Income Tax Company Circle 1(1), Chennai, made in PA/GIR.No.AAACW1328G dated 29.12.2009 for the Assessment Year 2007 - 2008.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.Sandeep Bagmar



J U D G M E N T
(Judgment was delivered by T.S. SIVAGNANAM, J.)

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.Sandeep Bagmar, learned counsel for the respondent/assessee.

2.The appeal, filed under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras 'D' Bench dated 31.07.2015 in ITA No.328/Mds/2013.

3.The appeal was admitted on 07.06.2016 on the following substantial question of law:

"Whether on the facts and in the circumstances of the case and in law, the Appellate Tribunal was correct in holding that Rule 8D has no retrospective effect and therefore, it cannot be applied for the assessment year 2007 - 08 when disallowance under Section 14A shall be made in accordance with the method prescribed under Rule 8D and the provisions of Rule 8D and the provisions of Rule 8D are procedural in nature?"

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 08.08.2019 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 question of law framed is left open. In the event the tax effect in this case 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-II)

// True Copy //

Sub Assistant Registrar

Sgl/mka



To

1. The Income Tax Appellate Tribunal,
Maras, "D" Bench,
Chennai.
2. The Commissioner of Income Tax IV,
No.121, Nungambakkam High Road,
Chennai-600 034.
3. The Commissioner of Income Tax(Appeals) III,
Chennai-600 034.
4. The Deputy Commissioner of Income Tax,
Company Circle 1(1),
Chennai.

T.C.A.No.377 of 2016

BS(CO)
RLP(22/09/2021)