WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 30.07.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE R. HEMALATHA

T.C.A.No.757 of 2016

Commissioner of Income Tax 2,
No.121, Nungambakkam High Road,
Chennai - 600 034. ... Appellant/Respondent

Vs.

M/s.L&T Infrastructure Development Projects Ltd.,
P.B.No.979, Mount Poonamallee Road,
Manapakkam, Chennai - 600 089. ... Respondent/Appellant

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, “B” Bench, dated 21.11.2014 in I.TA.No.2226/Mds/2013, Assessment Year 2007-08.

Against the order of the Commissioner of Income Tax, Appeals II, Chennai - 34 in ITA.398/2011-12, dated 19/08/2013, against the order of the Income Tax Officer, Company, Ward II (1), Chennai - 34, in GIR.No./PAN.AAACL7617D dated 16/10/2009 for the Assessment Year 2007-2008.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel
For Respondent : Mr.N.V.Narayanan
for Mr.N.V.Balaji

JUDGMENT
(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.N.V.Narayanan for Mr.N.V.Balaji, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 21.11.2014 made in I.TA.No.2226/Mds/2013 on the file of the Income Tax Appellate Tribunal, Chennai, “B” Bench (for brevity, the Tribunal) for the Assessment Year 2007-08.

https://hcservices.ecourts.gov.in/hcservices/

WEB COPY

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

> "1.Whether in the given facts and circumstances, ITAT is right in law in holding that the investments made in Special purpose Vehicles to be excluded from the total investments for the purpose of computation of disallowance under section 14A of the Income Tax Act?
>
> 2.Whether in the given facts and circumstances, ITAT is right in law in holding that the 2% of income derived from investments other than investments in SPVs as disallowance u/s.14A of the IT Act?"

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 as withdrawn 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 (CCC)

//True Copy//

Sub Assistant Registrar

mkn

To

1.The Income Tax Appellate Tribunal,
Chennai, "B" Bench.

2.The Commissioner of Income Tax,
Appeals II, Chennai - 34.

3.The Income Tax Officer,
Company Ward II (1), Chennai-34.

PVS(CO)
GN(18/08/2021)

https://hcservices.ecourts.gov.in/hcservices/