IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
INCOME TAX REFERENCE NO. 860 OF 1998

The Commissioner of Income Tax-I,
Bombay .. Applicant
v/s.
M/s. Indian Rayon Corpn. Ltd. ..Respondent

Mr. Suresh Kumar for the applicant
None for the respondent

CORAM : M.S. SANKLECHA &
B.P. COLABAWALLA, J.J.
DATED : 29th JANUARY, 2016.

P.C.

1. This Income Tax Reference relates to Assessment Years 1978-79 and 1979-80.

2. Mr. Suresh Kumar, learned Counsel for the applicant states that the Central Board of Direct Taxes has issued a Circular No.21/2015 dated 10th December, 2015 directing the Revenue to withdraw / not press the pending appeals in this Court having a tax effect of less than Rs.20 lakhs. It is further submitted that by order dated 8th January, 2016 passed in the case of *Commissioner of Income Tax vs. Sunny Sounds (P) Ltd.*, being Income Tax Reference No.213 of 1997, this Court has held that the Central Board of Direct Tax's Circular No.21/2015 dated 10th December 2015 is also applicable to the pending References.

3. In view of the above, Mr. Suresh Kumar submits that in view of the decision of this Court in *Sunny Sounds (P) Ltd. (Supra)* and the above Circular, as the tax effect involved for both the years in the present reference is less than the threshold limits of Rs.20 lakhs prescribed in the above Circular, he is instructed to withdraw this Reference.

4. Mr. Suresh Kumar further clarifies that this Reference is not hit by Clause 5 of the Circular No.21/2015 dated 10th December, 2015.

5. In view of the fact that the Revenue is not interested in pursuing the present Reference, the same is returned unanswered. However, we make it clear that the questions raised herein are left open, to be considered in appropriate case.

6. The Income Tax Reference is disposed of accordingly. No order as to costs.

(B.P. COLABAWALLA, J.) **(M.S. SANKLECHA, J.)**