IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITR No. 169 of 1996 (O&M) and
ITR No.170 of 1996 (O&M)

Date of Decision: 25.04.2016

The Commissioner of Income Tax (Central), Ludhiana
.......Appellant

Versus

M/s Rockman Cycle Industries Private Limited, Ludhiana
......Respondent

CORAM: HON'BLE MR. JUSTICE RAJESH BINDAL
HON'BLE MR. JUSTICE HARINDER SINGH SIDHU

Present: Mr. Zora Singh Klar, Advocate
for the appellant.

Mr. Alok Mittal, Advocate
for the respondent.

RAJESH BINDAL,J.

This reference has been filed in RA Nos. 95 and 96/Chandi/1995 arising out of I.T.A. Nos. 70 and 93/Chandi/1990, for the assessment year 1986-87, raising the following substantial question of law:

> (i) Whether, on the facts and in the circumstances of the case, the Tribunal was right in law in allowing interest claimed by the assessee at a higher rate on the borrowings though the investment had been made by the assessee in the shares of a sister-concern which gave a fixed return of income?

Learned counsel for the appellant-revenue submitted that in view of circular No.21/2015 dated 10.12.2015 read with circular No.279/Misc/M-142/2007-ITJ (Part) dated 8.3.2016, issued by Central Board of Direct Taxes, he does not wish to press the present references as the tax effect involved is less than ₹ 20 lacs. However, he prays that liberty be granted to the revenue to file an application for revival of the references in case something survives therein.

Dismissed as not pressed with liberty as prayed for. It is however, clarified that withdrawal of the references by the revenue shall not be taken as affirmation of order of the Tribunal on merits. The legal issue as claimed by the revenue is left open to be adjudicated in an appropriate case.

A copy of this order be placed on the file of connected case.

(RAJESH BINDAL)
JUDGE

(HARINDER SINGH SIDHU)
JUDGE

25.04.2016
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