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

INCOME TAX APPEAL NO. 1541 OF 2014

The Commissioner of Income Tax-TDS .. Appellant
v/s.

M/s. Trent Ltd. .. Respondent

Mr. A.R. Malhotra a/w Mr. N.A. Kazi for the appellant
Mr. Atul Jasani for the respondent

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

DATED : 17th FEBRUARY, 2017.

P.C.

1. This appeal relates to Assessment Year 2009-10.

2. The grievance of the Revenue in this appeal before us is with regard to non-deduction of tax under Section 194-I of the Income Tax Act, 1961 (the Act) on lump sum premium paid for acquisition of long term lease.

3. Mr. Malhotra, learned Counsel appearing for the Revenue invites our attention to the Central Board of Direct Taxes (CBDT) Circular No.35 of 2016 dated 13th October, 2016. In the above Circular, the CBDT has taken a view that the lump sum lease premium or one time

upfront lease charges paid by the assessee to acquiring long term lease hold rights in land / property will not covered by Section 194-I of the Act. Thus, no tax deduction at source on such lump sum lease premium under Section 194-I of the Act is to be made. In view of the above Circular issued by the CBDT, Mr. Malhotra, on instructions, seeks to withdraw the appeal.

4. The appeal is dismissed as withdrawn. Refund of Court fees as per Rules.

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