THE HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY
&
THE HON'BLE SRI JUSTICE M.S.K.JAISWAL

R.C.No.179 of 2000

DATE:- 02-01-2018

Between:

M/s.Surya Vanshi Spinning Mills Limited,
105, S.P.Road, Secunderabad

..... APPLICANT/ASSESSEE

AND

Commissioner of Income Tax,
A.P. Hyderabad

.....RESPONDENT

COUNSEL FOR THE ASSESSEE : Sri CHALLA GUNARANJAN

COUNSEL FOR RESPONDENT : Sri B.NARASIMHA SARMA,
Spl.SC for Income Tax

THE COURT MADE THE FOLLOWING:

THE HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY
&
THE HON'BLE SRI JUSTICE M.S.K.JAISWAL

R.C.No.179 of 2000

ORDER: (per Hon'ble Sri Justice C.V.Nagarjuna Reddy)

On the following questions of law, the case has been referred for the opinion of this court:

1) Whether on the facts and in the circumstances of the case, the Hon'ble Income Tax Appellate Tribunal, Hyderabad is correct in holding that the amendment to S.28 only gave statutory recognition to the verdict already given by jurisdictional High Court in the case of CIT V/S.R.M. & Company (148 ITR 353) for the proposition that cash compensatory support was a taxable income?

2) Whether on the facts and in the circumstances of the case, the Hon'ble Income Tax Appellate Tribunal, Hyderabad is correct in holding that cash compensatory support, claimed by the appellant as not taxable in view of a special bench decision of the Hon'ble Income Tax (India) (P) Ltd.-(25 ITD 193) was correctly brought to tax in the intimation passed u/s.143(1) (a) of the Income Tax Act and additional tax was correctly levied by virtue of amendment to S.28 of the Income Tax Act by Finance Act, 1990 which came into force on 31.05.1990 with retrospective effect?

At the hearing, Mr.Challa Gunaranjan, learned counsel for the Assessee, fairly submitted that both the questions, referred in this case, have been decided in favour of the Revenue by a Division Bench of the Delhi High Court, vide its judgment, dated 12.01.1998 in *C.I.T v. SMARTS (P.) Ltd. (Delhi)*[1].

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[1] 233 ITR 243

In view of the above, both the questions are answered against the Assessee.

The Tax Revision Case accordingly stands disposed of.

C.V.NAGARJUNA REDDY,J

M.S.K.JAISWAL,J

Date: 02.01.2018
Dsr