R.M. AMBERKAR
(Private Secretary)

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
O.O.C.J.

INCOME TAX APPEAL NO. 402 OF 2017

Pr. Commissioner of Income Tax - 7 .. Appellant

Versus

Premier Finance & Trading Co Ltd .. Respondent

....

- Mr. Suresh Kumar for the Appellant
- Mr. Jay Bhansali for the Respondent

....

CORAM : AKIL KURESHI &
M.S. SANKLECHA, JJ.

DATE : MARCH 6, 2019.

P.C.:

1. Revenue has filed this appeal to challenge the judgment of the Income Tax Appellate Tribunal. Following question was pressed at the time of hearing:-

> " Whether on the facts and circumstances of the case and in law, the Tribunal was correct in dismissing the Revenue's appeal in respect of the addition of Rs. 7,74,76,467/- u/S. 36(1)(iii) on account of interest free advances without appreciating that the addition was not made on the notional basis on the loans advanced but has restricted the interest expenses to the extent of interest foregone and thus, the Tribunal has ignored the facts of the case to the extent of perversity?"

2. We notice that the additions made by the Assessing Officer were deleted by CIT(A) and confirmed by the Tribunal by the impugned judgment. While dealing with the Revenue's Income Tax Appeal No. 436 of 2017, we had considered a similar issue concerning this very assessee and dismissed Revenue's appeal on the ground making following observations:-

> "3. Second question relates to the addition of Rs.3.05 crores made by the Assessing Officer while disallowing expenditure under Section 37(1) of the Act. In this respect, the Tribunal while upholding the decision of CIT (Appeals) held that while making advances to the sister concerns, the assessee was acting in the normal course of business and that the interest expenditure was therefore allowable as per Section 36(1)(iii) of the Act. It was recorded that the Assessing Officer had not brought anything to prove that the expenditure incurred towards interest was not wholly and exclusively for carrying out the business of the assessee. The Tribunal therefore, confirmed the order of the CIT (Appeals). When CIT(Appeals) and the Tribunal have concurrently held that the expenditure was incurred for the purpose of the business of the assessee, we find no reason to interfere. No question of law therefore arises."

3. In the result, without recording separate reasons, this appeal is also dismissed.

[M.S. SANKLECHA, J.] **[AKIL KURESHI, J]**