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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **ITA 1137/2005**

THE COMMISSIONER OF INCOME TAX ..... Appellant

Through: Mr.Raghvendra Singh, Senior Standing counsel with Mr.Vipul Agrawal, Junior Standing Counsel, for Revenue.

versus

M/S PNB CAPITAL SERVICES ..... Respondent

Through: Mr. N.S.Ahluwalia, Mr. Salil Seth, Mr. Neeraj Malik, Advocatefor SBEC.

CORAM:
JUSTICE S.MURALIDHAR
JUSTICE TALWANT SINGH

<u>O R D E R</u>

% 01.08.2019

1. This is an appeal filed by the Revenue against the order dated 16th March, 2005 passed by the Income Tax Appellate Tribunal (ITAT) under the Interest Tax Appeal No. 27/Del/1998 for the Assessment Year (AY) 1994-95.

2. While admitting this appeal on 29th November, 2005, the following question of law was framed:-

> *"Whether the Income Tax Appellate Tribunal was correct in law in holding that the interest on Government Securities and Public Sector Undertakings Bonds is not exigible to tax under the Interest Tax Act, 1974 as amended by the Amending Act, 1991?"*

3. The Supreme Court in ***Commissioner of Income Tax v. Sahara India Savings and Investments Corporation Limited 321 ITR 371 (SC)*** held that Government Securities and PSU Bonds could not be exigible to tax under the Interest Tax Act, 1974 as amended.

4. In that view of the matter the question framed is answered in the affirmative i.e. against the Revenue and in favour of the Assessee.

5. The appeal is accordingly dismissed.

S. MURALIDHAR, J.

TALWANT SINGH, J.

AUGUST 01, 2019

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