



IN THE HIGH COURT OF DELHI

ITR No.209/83

Date of Decision:06.8.2001

Usha Sales Ltd.
New Delhi

..... Petitioner

Through: Mr. S.K.Aggarwal,
Advocate.

VERSUS

The Commissioner of Income-tax Respondent

Through: Mr. Sanjiv Khanna with
Mr. Ajay Jha,
Advocates.

CORAM:

THE HON'BLE MR. JUSTICE ARIJIT PASAYAT, CHIEF JUSTICE
THE HON'BLE MR. JUSTICE D.K.JAIN

1. Whether reporters of local papers may be allowed to see the judgment?
2. To be referred to the Reporter or not?

Arijit Pasayat, C.J.(Oral)

At the instance of assessee, following questions have been referred for opinion of this Court under Section 256(1) of the Income-tax Act, 1961(in short the 'Act') by the Income-tax Appellate Tribunal, Delhi Bench 'C'(hereinafter referred to as the Tribunal):

- "1. Whether on the facts and in the circumstances of the case, the liability of Rs.2,92,319/- incurred by way of interest under various sections of Income-tax Act was an allowable deduction in computing the profits and gains of the assessee for the accounting period relevant to the assessment year 1974-75?



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2. Whether on the facts and in the circumstances of the case, the liability to pay Sur-tax is an allowable deduction in computing the total income of the assessee for the accounting period relevant to the assessment year 1974-75?"

2. Factual position need not be gone into in detail as issues involved in the questions have been directly dealt with by the Apex Court. So far as the first question is concerned, decision of the Apex Court in Bharat Commerce & Industries Ltd. v. C.I.T., (1998) 230 ITR 733 will govern the question. Answer to the question, therefore, is in the negative, in favour of Revenue and against the assessee. So far as the second question is concerned, also the decision of the Apex Court in Smith Kline & French(I) Ltd. v. C.I.T. (1996) 219 ITR 581 will govern the question. The answer to the question is in the negative, in favour of Revenue and against the assessee.

The reference stands disposed of.

Chief Justice.

D.K.Jain, J.

6th August, 2001
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