



I-8 to 11
% 08.09.2010

Present: Ms. Prem Lata Bansal, Advocate for the appellant.
Mr. M.S. Syali, Sr. Advocate with Ms. Mahua Kalra and
Mr. Husnaz Syali, Advocates for the respondent.

+ ITA Nos.1017/2008, 1044/2008, 1066/2008 and 1068/2008

(Common Order)

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In ITA No.1044/2008, following questions of law are proposed for determination by this Court and it is an admitted case that similar questions arise in other appeals as well:-

- “(a) Whether ITAT was correct in law in deleting the addition of ₹ 43,71,837/- made by the Assessing Officer to the chargeable interest on account of interest earned on securities?
- (b) Whether ITAT was correct in law in holding that interest tax cannot be levied on the interest earned on securities under the Interest Tax Act?
- (c) Whether investment in Securities are to be treated as loans and advances within the meaning of Section 2(7) of Interest Tax Act?
- (d) Whether interest earned on securities can be separated from interest earned on loans and advances when there is no such exclusionary clause exists in the provision?
- (e) Whether ITAT was correct in law in deleting the addition of ₹ 1,91,94,876/- made by the Assessing Officer to the chargeable interest on account of hire charges?
- (f) Whether ITAT was correct in law in holding that hire purchase transactions do not attract provisions of Interest Tax Act?
- (g) Whether ITAT was correct in law in deleting the addition of ₹ 11,00,409/- made by the Assessing Officer on account of lease rental received by the assessee?
- (h) Whether interest components of finance lease is an



interest within the meaning of Section 2(7) of the Interest Tax Act, 1974?

The undisputed fact is that the aforesaid amounts relate to interest on hire purchase as well as under the lease rental.

Insofar as questions (a) to (d) are concerned, it is stated in this appeal that similar issues had been admitted by this Court in the cases of *CIT vs. IFCI* in ITA No.96/2004, ITA No.365/2002 and ITA No.322/2003. Those appeals were decided by this Court against the revenue. The matter now stands authoritatively determined by the Apex Court in the case of *CIT vs. Corporation Bank, 295 ITR 193 (SC)*. Therefore, insofar as these issues are concerned, no question of law arises.

Insofar as questions proposed at (e) to (h) are concerned, it is stated that they are covered by the judgment of this Court in *CIT vs. GE Capital Transportation, 160 Taxman 329*, against which Supreme Court also dismissed the SLP No.167/2008 on 02.09.2008. Thus, in respect of these issues also, no substantial question of law arises.

These appeals are accordingly dismissed.

A.K. SIKRI, J.

REVA KHETRAPAL, J.

SEPTEMBER 08, 2010

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