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% 30.09.2011

Present: Ms. Rashmi Chopra, Advocate for Mr. Sanjeev Sabharwal,
Advocate for the Petitioner.
Mr. U.A.Rana with Ms. Swaign George, Advocates for the
Respondent.

+ **ITA No. 481/2010**
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On 12.04.2011, the following order was passed:-

“Hire-purchase agreements entered into by the assessee with its customers were treated as transactions earning interest by the Assessing Officer and on that basis he held that it was liable for interest tax. For coming to this conclusion, the Assessing Officer relied upon the order Passed by his predecessor in the assessee's cases for the assessment year 2003-04. The CIT(Appeal) had treated these hire-purchase agreements as genuine agreements and deleted the additions. The ITAT has confirmed the order of the CIT(Appeal). From the reading of the orders of the CIT(Appeal) as well as the ITAT, we find that the opinion of the Assessing Officer in respect of assessment year 2003-04 was also reversed and the authorities below relied upon their orders not only in respect of assessment year 2003-04 but in respect of other assessment years.

In these circumstances, it would be important to know as to whether the Revenue had accepted the orders pertaining to other assessment years or had challenged those orders, and if challenged, the outcome of the appeals preferred by the Revenue.



Ms.Chopra, learned counsel appearing for the Revenue, seeks time to find out the position in his behalf. We may record that learned counsel for the respondent states that respondent has not received any notice of any appeal. In these circumstances, if on the next date of hearing, the Revenue is not in a position to answer this query, we will presume that no appeals were filed and if appeals were filed, those were dismissed.

List on May 20, 2011.”

On 20.05.2011, learned counsel for the Revenue sought further time and the case was adjourned for today.

Ms. Chopra, learned counsel for the Revenue, on instructions, states that no appeal was preferred against the orders passed by the ITAT in earlier years when the relief was granted to the assessee on identical issue. Learned counsel for the respondent also drew our attention to the very next order i.e. Assessment Year 2000-2001. The CIT(A) had allowed the appeal of the assessee following the earlier order dated 26.08.2005 and even that order was accepted by the Revenue without preferring any appeal. There is another reason for adopting this course of action. We may record that Finance Act 2000 sub section (3) was added to Section 4 of the Interest Act, 1974 whereby it was declared that no interest fixed shall be charged in respect of any chargeable interest accruing or arriving after 21.03.2000. Therefore, this issue does not have any recurring impact



impact as well. In these circumstances, we are not inclined to entertain this appeal.

Dismissed.

A handwritten signature in black ink, appearing to read 'A.K. SIKRI'.

A.K. SIKRI, J.

A handwritten signature in black ink, appearing to read 'SIDDHARTH MRIDUL'.

SIDDHARTH MRIDUL, J.

SEPTEMBER 30, 2011

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