(1976) 12 P&H CK 0024

In the Punjab And Haryana At Chandigarh

Case No : Income-tax Reference No. 59 of 1975

Commissioner of Income Tax — APPELLANT

Vs

Rita Mechanical Works — RESPONDENT

Date of Decision : 09-12-1976

Acts Referred:
Income Tax Act, 1961 — Section 34, 34(3)

Citation : (1977) 108 ITR 552

Hon'ble Judges : S.P. Goyal, J;O. Chinnappa Reddy, J

Bench : Division Bench

Advocate : B.K. Jhingan, A.C. Jain and D.N. Awasthy, for the Appellant; S.S. Mahajan and R.K. Gupta, for the Respondent

Judgement

1. The question referred to the High Court u/s 256(1) of the Income Tax Act, 1961, was as follows :

"Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was right in law in holding that the requirement of Section 34(3)(a) regarding creating of development rebate reserve has been satisfied ?"

Chinnappa Reddy, J.

2. The High Court of Andhra Pradesh in VEERABHADRA IRON FOUNDRY AND ANOTHER Vs. COMMISSIONER OF Income Tax, A.P., , the High Court of Allahabad in Commissioner of Income Tax, Central Vs. Modi Spinning and Weaving Mills Co. Ltd., , the High Court of Bombay in TATA IRON and STEEL CO. LTD. Vs. N. C. UPADHYAYA AND ANOTHER. TATA IRON and STEEL CO. LTD. v. KUM. D. V. BAPAT and ANOTHER., , the High Court of Punjab and Haryana in Commissioner of Income Tax Vs. Sardar Singh Sachdeva, and the High Court of Orissa in Commissioner of Income Tax Vs. Narula Cold Storage and Ice Factory, have consistently taken the view that the Income Tax Act does not contemplate a limit of time for claiming development rebate. The Gujarat High Court has taken a contrary view in Keshavlal Vithaldas Vs. Commissioner of Income Tax, Gujarat, .

We are bound to follow the view of the Punjab and Haryana High Court, which, as we have pointed out, is the view of the majority of the High Courts. In view of the earlier decision of this court, the question referred to us is answered in the affirmative. No costs.

