Commissioner of Income Tax, Patiala v. R.K. Gupta (HUF), Chandigarh

ITR 379 and 380/1995

ITR 379/1995 and ITR 380/1995 | 2007-09-11

Interest-deduction reference returned unanswered after records unavailable

256(1)

High Court of Punjab and Haryana | Chandigarh | M.M. Kumar | Ajay Kumar Mittal

Assessment years: 1985-86

01 FACTS OF THE CASE

The two references concerned interest on borrowed capital invested to secure management control over related companies. The lead reference arose from the Tribunal's order for assessment year 1985–86, which relied heavily on its treatment of 1983–84.

Source: PDF pp.1–2

02 DISCUSSION BY THE HON'BLE COURT

After an opportunity to ascertain the earlier year's appellate status, Revenue produced an Income Tax Officer's letter of 10 September 2007. The relevant assessment record could not be traced despite efforts, and the officer could not establish whether an appeal for 1983–84 had been filed in the High Court.

Source: PDF pp.1–2

03 JUDICIAL DECISION

The question referred by the Tribunal was returned unanswered. The common order covered ITR 379 and 380/1995.

Source: PDF pp.1–2

04 OUTCOME / IN WHOSE FAVOUR

No substantive answer on deductibility was given. The order is not authority allowing or disallowing interest for acquisition of corporate control.

Source: PDF pp.1–2

05 EXPERT COMMENTS

An unanswered reference supplies no tax ratio on the framed question — The text reproduces a question about purpose of borrowing but does not resolve it. The missing earlier-year record prompted the procedural result. It would be inaccurate to treat the Tribunal's underlying allowance as a fresh High Court endorsement of a general deduction rule.

Inability to trace a record is not proof of an earlier outcome — The officer could not ascertain whether an appeal had been filed for 1983–84. That does not establish either acquiescence or a prior High Court judgment. The evidentiary uncertainty should remain explicit rather than being converted into a consistency finding.

Preserve both reference dockets and the lead-year limitation — The Court disposes of two references but narrates facts from 379/1995. Assessment year 1985–86 belongs to that narrated matter; 1983–84 is the earlier comparison year. The source does not separately supply the companion year or a substantive deduction section, so neither is invented.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

Punjab and Haryana High Court order; verified source copy

Complete source PDF reviewed: 2 physical pages.

All 2 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Sections and disposition are recorded only to the extent stated in this source order.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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