IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA No. 589 of 2007 (O&M)

Date of Decision: 25.04.2016

Commissioner of Income Tax, Ludhiana-II

.......Appellant

Versus

M/s Avery Cycle Industries Ltd.

......Respondent

CORAM: HON'BLE MR. JUSTICE RAJESH BINDAL
HON'BLE MR. JUSTICE HARINDER SINGH SIDHU

Present: Mr. Zora Singh Klar, Advocate
for the appellant.

Mr. Alok Mittal, Advocate
for the respondent.

RAJESH BINDAL,J.

This appeal has been filed under Section 260 A of the Income Tax Act, 1961 (for short 'the Act'), against the order dated 27.7.2005 passed by the Income Tax Appellate Tribunal, Chandigarh Bench (B), in ITA No.600/Chandi/1999, for the assessment year 1996-97, raising the following substantial questions of law:

(i) Whether on the facts and in the circumstances, the Tribunal was legally right to uphold the order of the CIT (A) in deleting the addition made by Assessing Officer on account of disallowance of expenditure incurred on provisions of hospitality to the persons other than the employees?

(ii) Whether on the facts and circumstances of the case, the Hon'ble ITAT was correct on upholding that the Central Sales Tax and Sales Tax amounting to Rs.53,50,035/- be not form the part of total turnover while computation of deduction u/s 80HHC?

(iii) Whether on the facts and the circumstances of the case Hon'ble ITAT was right in Law and facts in upholding that the interest free loan advanced to Mrs. Archna Dalmia was correct?

Learned counsel for the appellant-revenue submitted that in view of circular No.21/2015 dated 10.12.2015 read with circular No.279/Misc/M-142/2007-ITJ (Part) dated 8.3.2016, issued by Central Board of Direct Taxes, he does not wish to press the present appeal, as the tax effect involved is less than ₹ 20 lacs. However, he prays that liberty be granted to the revenue to file an application for revival of the appeal in case something survives therein.

Dismissed as not pressed with liberty as prayed for. It is however, clarified that withdrawal of the appeal by the revenue shall not be taken as affirmation of order of the Tribunal on merits. The legal issue as claimed by the revenue is left open to be adjudicated in an appropriate case.

(RAJESH BINDAL)
JUDGE

(HARINDER SINGH SIDHU)
JUDGE

25.04.2016
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