IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA No. 380 of 2005 (O&M)

Date of Decision: 11.05.2016

Commissioner of Income Tax-I, Ludhiana

.......Appellant

Versus

M/s Majestic Auto Ltd.,

......Respondent

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

Present: Mr. Rajesh Katoch, 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 28.2.2005 passed by the Income Tax Appellate Tribunal, Chandigarh Bench 'A' Chandigarh, in ITA Nos. 413/Chandi/2001 and 477/Chandi/2001, for the assessment year 1997-98, raising the following substantial questions of law:

> (i) Whether on the facts and circumstances of the case, the Hon'ble Income Tax Appellate Tribunal is justified in law in allowing relief to the Respondent company by setting aside the orders of the CIT(A)/Assessing Officer, on the issue of reduction of the value of the consumable stores not reflected in the closing stock, ignoring that the value of consumable stores and tools was not accounted for in the closing stock?
>
> (ii) Whether on the facts and circumstances of the case,

> the Hon'ble Income Tax Appellate Tribunal is justified in law in directing to give the benefit to the respondent company in accordance with the explanation to clause VIII to Section 115JA of I.T. Act, by ignoring that the said explanation was introduced with effect from 1.4.1998 and was not applicable retrospectively?

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

11.05.2016
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