IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA No. 508 of 2005 (O&M)

Date of Decision: 29.03.2016

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.

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 17.12.2004 passed by the Income Tax Appellate Tribunal, Chandigarh Bench (A), in ITA Nos. 555/Chandi/2000 and 574/Chandi/2000, for the assessment year 1996-97, raising the following substantial question of law:

> Whether on the facts and circumstances of the case, the Hon'ble Income Tax Appellate Tribunal was justified in law in allowing relief to the Respondent Company by deleting the addition of ₹ 8,55,033/- made on account of under valuation of stock ignoring that the value of closing stock of consumable stores and tools was not accounted for in the closing stock?

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

29.03.2016
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