**IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**

**ITA No. 659 of 2010 (O&M)**

**Date of Decision: 21.04.2016**

Commissioner of Income Tax-II, Chandigarh

.......Appellant

**Versus**

Sh. Rajneesh Bansal, Prop. Prince Motors

......Respondent

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

Present: Ms. Urvashi Dhugga, 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 29.1.2010 passed by the Income Tax Appellate Tribunal, Chandigarh Bench (A), in ITA No. 56/CHANDI/2009, for the assessment year 1998-99, raising the following substantial question of law:

> Whether on the facts and in the circumstances of the case, the order of the Hon'ble ITAT is perverse in quashing the assessment framed by the Assessing Officer, by initiating action u/s 148 of the Income-tax, duly approved by the Commissioner of Income-tax, based on the information supplied by the investigation wing relating to accommodation entries given by one Shri N.K. Garg CA to a large number of persons including the assessee in the shape of gifts and unsecured loans. The Hon'ble

Tribunal failed to appreciate that the proceedings u/s 148 were validly initiated as per the correct interpretation and spirit of Section 148 and there was no case for quashing of reassessment proceedings and if the interpretation of Hon'ble ITAT regarding scope of section 148 of the I.T. Act is accepted, it would severely dilute the fight against menace of tax evasion?

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, she does not wish to press the present appeal, as the tax effect involved is less than ₹ 20 lacs. However, she 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**

**21.04.2016**
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