IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA No. 459 of 2006 (O&M)

Date of decision: 17.1.2017

Commissioner of Income Tax, Ludhiana-II .. Appellant

vs

M/s Avery Cycles Limited .. 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.

The revenue has filed the present appeal raising the following substantial question of law arising out of the order dated 30.5.2005 passed by the Income-Tax Appellate Tribunal, Chandigarh Bench 'A', Chandigarh, in ITA No. 479/Chandi/2000 for the the assessment year 1998-99:-

> "Whether on the facts and in law, Hon'ble ITAT was legally justified in deleting the disallowance of Rs. 5,92,27,493/- made on account of interest on money borrowed for purchase and installation of plant and machinery in new H.R. Unit, prior to the period of commencement of production, ignoring the fact that new H.R. Unit is located at a distance of 10 KM from the existing unit and was not in existence earlier and is producing new product?"

Learned counsel for the revenue does not dispute that in view of judgment of Hon'ble the Supreme Court in *Deputy Commissioner of Income Tax, Ahmedabad vs M/s. Core Health Care Limited,* (2008) 298 I.T.R. 194, where similar question has been answered against the revenue, nothing survives in the present appeal.

Accordingly, the present appeal is dismissed.

(Rajesh Bindal)
Judge

17.1.2017
vs

(Harinder Singh Sidhu)
Judge

Whether speaking/ reasoned Yes/No

Whether Reportable Yes/No