IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA No. 353 of 2016 (O&M)
Decided on : 18.01.2017

Pr. Commissioner of Income Tax-2, Ludhiana

. . . Appellant

Versus

M/s Kashmir Apiaries (P) Ltd.

. . . Respondent

CORAM: HON'BLE MR. JUSTICE AJAY KUMAR MITTAL
HON'BLE MR. JUSTICE RAMENDRA JAIN

PRESENT: Mr. Z.S. Klar, Advocate
for the appellant.

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AJAY KUMAR MITTAL, J. (Oral)

The revenue has approached this Court under Section 260A of the Income Tax Act, 1961 (in short 'the Act'), seeking the following substantial questions of law:-

"1. Whether the Hon'ble ITAT was right in deleting the addition made u/s 271D of the Income Tax Act, 1961 by the Department by relying on the judgement of Hon'ble Punjab & Haryana High Court, Chandigarh, in the case of CIT Vs. Iqbal Inn & Hotels Ltd. (2015) 12 TMI (1070).

2. Whether the Hon'ble ITAT was right in deleting the addition ignoring the facts that assessee company received ₹50,00,000/- in cash as share application money from Sh. Jagjit Singh Kapoor on 29.09.2008 for allotment of 1,00,000 shares @ Rs. 50/- each. Since the cash receipt of ₹50,00,000/- by the appellant *company was violation of provisions of Section 269SS of the Act, hence the penalty u/s 271-D of the I.T. Act, 1961 was rightly levied.*

3. Whether the Hon'ble High Court has erred both on facts and in law in upholding the order of the ITAT without appreciating that the Income Tax Act, 1961, it is no where provided that receipt of share application money in cash would be exempt from the provisions of section 269SS of the Income Tax Act, 1961."

2. Learned counsel for the revenue very fairly did not dispute that the issue in the present case is covered by the decision of this Court rendered in case of **CIT Vs. Iqbal Inn & Hotels Ltd. (2015) 12 TMI (1070)** in favour of the respondent-assessee, on the basis of which the tribunal had adjudicated the matter against the revenue. Therefore, in view of the above, the issue being covered, no substantial question of law arises.

3. Dismissed.

(AJAY KUMAR MITTAL)
JUDGE

(RAMENDRA JAIN)
JUDGE

January 18, 2017
J.Ram

Whether speaking/reasoned: Yes/No
Whether Reportable: Yes/No