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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **ITA No. 765/2017**

PRINCIPAL COMMISSIONER
OF INCOME TAX-2 ..... Appellant

Through: Mr. Sanjay Kumar, Mr.Rahul Chaudhary, Advocates.

versus

CHEMICAL CONSTRUCTION
INTERNATIONAL PVT. LTD. ..... Respondent

Through: Mr. Simran Mehta, Advocate.

CORAM: JUSTICE S. MURALIDHAR
JUSTICE PRATHIBA M. SINGH

<u>O R D E R</u>

% **20.09.2017**

1. There are two questions projected by the Revenue for consideration by this Court in this appeal against the order of the Income Tax Appellate Tribunal ('ITAT') dated 10th January 2017 in ITA No. 5516/Del/2006.

2.The first question concerns deletion of an addition made by the Assessing Officer ('AO') of Rs. 3,44,02,000/- on account of 'revenue recognition' on account of various projects undertaken by the Assessee. As far as this question is concerned, the Commissioner of Income Tax (Appeals) ['CIT(A)'] held that the AO made the above addition on the basis that the Assessee ought to have followed the percentage completion method whereas the Assessee was able to establish that it had consistently been following the project completion method for recognizing revenue. This has been concurred with by the ITAT in its order dated 10th January 2017.

3. Having heard the learned counsel for the Revenue, the Court is not satisfied that the orders of the ITAT and the CIT (A) suffer from perversity giving rise to any substantial question of law for consideration.

4. As regards the second question concerning the deletion of the addition of Rs. 22,94,585/- by the AO, by disallowing the technical know-how fees, the ITAT has given cogent reasons as to why said fees were of revenue nature. Here again, the Court does not find any legal infirmity in the impugned order of the ITAT giving rise to any substantial question of law.

5. The appeal is, accordingly, dismissed but, in the circumstances, without any order as to costs.

S. MURALIDHAR, J.

PRATHIBA M. SINGH, J.

SEPTEMBER 20, 2017
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