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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA-27-2000 (O&M)
Date of decision : 10.01.2020

M/S BHAGMAL SACHDEVA COTTON AND OIL MILLS, KOTKAPURA THROUGH ITS PARTNER

...... APPELLANT

VERSUS

THE COMMISSIONER OF INCOME TAX, BATHINDA AND ANOTHER

...... RESPONDENTS

CORAM : HON'BLE MR.JUSTICE AJAY TEWARI
HON'BLE MR. JUSTICE AVNEESH JHINGAN
****

Present :- Mr. Alok Mittal, Advocate
for the appellant.

Mr. Rajesh Sethi, Senior Standing Counsel
for the respondents.
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AJAY TEWARI, J. (*Oral*)

1. This appeal has been filed against order of Tribunal upholding that the Appellate Authority (whereby the appeal of the appellant had been partly allowed). The issue relates to the valuation of stock vis-a-vis yield of cotton as well as yield of cotton seeds. The Commissioner of Income Tax (Appellate Authority) held as under:-

> *"3.3 I have given careful consideration to the entire matter and I find that although the learned counsel has mentioned that the yield of cotton seed of Ganesh Cotton Factory was 66.84%, no comments have been offered in respect of other comparable cases mentioned in the asstt. order. In the case of the appellant the yield of cotton shown at 31.45% has been accepted being fair and reasonable but yield of cotton seed is certainly on the lower side and this is clear from the shortage claimed at 3.05%. The shortage in respect of cotton ginning normally does not exceed 2.50% and*

even much lower shortage has been shown by other factories namely M/s Mittal Cotton Factory and M/s Shiv Cotton & General Factory. As such it would be fair and reasonable to take the yield of cotton at 66% and this would reduce the shortage to 2.55%. By taking the yield at 66%, the yield of cotton seed shown less would work out to 318.50 qtls. and its value at Rs. 325 per qtl. comes at Rs. 1,03,512/-. The addition is confirmed to this extent and the appellant gets relief of Rs. 1,04,488/-."

2. Learned counsel for the appellant submits that the Tribunal erred in dismissing the appeal and upholding the order of the First Appellate Authority. The issue raised in the present appeal is factual. There is no legal question much less substantial question of law involved. The Appellate Authority considering the facts that no stock register was maintained and that the books of accounts were maintained on estimation, considering the evidence in entirety and after accounting various comparable cases held that the shortage claimed of 3.05% was on higher side and the shortage was considered at 2.55%.

3. No illegality or error has been pointed out in the order of the Appellate Authority.

4. Hence, no interference is called for. The appeal is dismissed.

(AJAY TEWARI)
JUDGE

(AVNEESH JHINGAN)
JUDGE

10th January, 2020
shabha

Whether speaking/reasoned : Yes/No

Whether Reportable : Yes/No