307-6

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

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ITA No.48 of 2012
Date of Decision: 25.02.2020

Commissioner of Income Tax-1, Chandigarh

Appellant

Versus

M/s Punjab Small Industries & Export Corporation Ltd., Chandigarh

Respondent

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

Present: Mr. Yogesh Putney, Advocate
for the appellant.

Mr. Alok Mittal, Advocate
for the respondent.

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<u>AJAY TEWARI, J. (Oral)</u>

[1] This appeal has been filed under Section 260A of the Income Tax Act, 1961 against the order dated 24.10.2011 of the Income Tax Appellate Tribunal, Chandigarh passed in ITA No.841/Chd/2011 for the assessment year 2008-09.

[2] Following question of law is claimed:-

> *"Whether on the facts and in the circumstances of the case, the ITAT was right in law in upholding the order of the CIT(A) that the expenditure incurred in "Maintenance of focal points" and "development expenditure over and above the estimate was revenue expenditure".*

[3] The dispute was as to whether expenditure for

maintenance of focal points was revenue in nature or not. The assessing officer held the expenditure to be capital in nature and granted 10% depreciation. The Commissioner of Income Tax (CIT) reversed the order and held the expenditure to be revenue in nature. The order of the CIT was upheld by the Tribunal. With the passage of time, the dispute as to whether expenditure was revenue or capital in nature has become revenue neutral as even if it is capital in nature by claiming depreciation, no tax effect is left.

[4] In the circumstances, the appeal stands disposed of keeping the questions of law open.

[5] Since the appeal is disposed of, the pending application, if any, also stands disposed of.

[AJAY TEWARI]
JUDGE

[AVNEESH JHINGAN]
JUDGE

February 25, 2020
pankaj baweja

1. Whether speaking/ reasoned : Yes / No
2. Whether reportable : Yes / No