

Commissioner of Income Tax Vs INDO ASIAN SWITCHGEARS (P) LTD.

Court: High Court Of Punjab And Haryana At Chandigarh

Date of Decision: Nov. 21, 2001

Acts Referred: Income Tax Act, 1961 " Section 35B

Citation: (2002) 121 TAXMAN 69

Hon'ble Judges: Jawahar Lal Gupta, J; Jawahar Lal Gupra, J; Ashutosh Mohunta, J

Bench: Full Bench

Advocate: R.P. Sawhney and Kishan Singh, for the Revenue Sanjay Bansal, for the Assessee, for the Appellant;

Judgement

Gupta, J.

The revenue seeks the opinion of this court on the following question :

Whether, on the facts and in the circumstances of the case, the Tribunal is right in law in holding that weighted deduction u/s 35B of the Income

Tax Act, 1961 on expenditure of Rs. 66,742 incurred by way of testing fees paid to different laboratories in India, is admissible ?

2. The learned counsels for the parties agreed that in view of the decisions of their Lordships of the Supreme Court in CIT v. Stepwell Industries

Ltd. (1997) 228 ITR 1711 and Commissioner of Income Tax (CNTL), Ludhiana Vs. Hero Cycles Pvt. Ltd., Ludhiana, the issue regarding

admissibility of the deductions claimed by the assessee has to be decided by the Tribunal after giving an opportunity to the assessee to establish its

case. They further agreed that in view of the aforesaid decisions, the order of the Tribunal passed on 12-4-1985 in respect of the assessment year

1978-79 be set aside insofar as the admissibility of deductions u/s 35B of the Income Tax Act, 1961, is involved.

The statement made by the counsels is in conformity with the observations of their Lordships of the Supreme Court in the two cases noticed

above.

3. Resultantly, the order of the Tribunal, insofar as deductions u/s 35B are concerned, is set aside. The question is answered in favour of the

revenue and the case is remanded to the Tribunal for a fresh decision in accordance with the observations of their Lordships of the Supreme Court

in the aforesaid cases.

4. No costs.