

IN THE HIGH COURT OF DELHI AT NEW DELHI

06.07.2009

**Present: Mr. Jagdish Rai Goel, Advocate for the appellant.
Mr. Ajay Vohra with Ms. Kavita Jha and Ms. Akansha Aggarwal, for the
respondent.**

ITA No. 921/2005 M/S CANYAM CONSTRUCTOINS P.LTD

In its return for the assessment year 2001-02, the assessee had claimed expenditure under the head? deferred revenue expenditure? to the tune of Rs.1,40,000/-. The Assessing Officer disallowed the aforesaid expenditure on the ground that it was not admissible as revenue expenditure, as it was neither incidental nor incurred for the sake of its normal business activities. While doing so in the assessment order, the Assessing Authority also initiated penalty proceedings under Section 271(1)(c) of the Income Tax Act, 1961. Explanation furnished by the assessee was that it was of bona fide. Two views were possible, viz., whether the expenditure was of capital nature or revenue expenditure as contended by the assessee. The Income Tax Appellate Tribunal in its order recorded that this was a bona fide claim of the assessee as submitted by the assessee in its income tax return. If the same was not allowed on merits, that would not lead to the conclusion that there was a concealment of any particulars or furnishing inaccurate particulars. In these circumstances, we are of the opinion that no substantial question of law arises for consideration. This appeal is accordingly dismissed

A.K. SIKRI, J.

VALMIKI J. MEHTA, J.

July 06, 2009

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