

Analysis

Gist of P&H High & Other High Court rulings:

1. P&H HC: Random Constructions: Upheld

“The Assessing Officer disallowed the deduction claimed on account of shuttering expenses. The CIT (A) deleted the additions and upheld the claim of the assessee by holding that the said expenses represented revenue expenses. The Tribunal affirmed the said view with the following observations:

“The expenditure in question had been incurred during the P.Y. and was revenue in nature. The fact that the material could be used in the subsequent A.Y. is no ground to deny the claim for deduction. Consequently, ground No.1 raised by the Revenue is dismissed.”

There is no material before the AO to come to the conclusion that there was income of Rs.50,000/- on account of scrap value of shuttering materials. In fact the certificate of the engineering on which AO placed reliance clearly states that the wooden shuttering material have no use after the life time.”