

IN THE HIGH COURT OF DELHI AT NEW DELHI

ITA 485/2007

COMMISSIONER OF INCOME TAX Appellant, Through Ms. P.L.Bansal, Advocate.

Versus

E.I.DUPONT INDIA LTD. Respondent, Through Mr. Satyen Sethi and Mr. Johnson Bara, Advocates.

CORAM:

HON'BLE MR. JUSTICE MADAN B. LOKUR

HON'BLE DR. JUSTICE S. MURALIDHAR

O R D E R

29.11.2007

The Revenue is aggrieved by an order dated 25th August, 2006 passed by the Income Tax Appellate Tribunal, Delhi Bench 'C', Delhi (Tribunal) in ITA No. 2327/Del/2001 relevant for the Assessment Year 1996-97 and in ITA No.1851/Del/2002 relevant for the Assessment Year 1997-98.

The Assessee had claimed the deduction of Rs. 12 lakhs on account of fees paid to the Registrar of Companies for increase in the authorised share capital of the Assessee. According to the Assessing Officer, the Assessee was not entitled to claim this deduction since it was a capital expenditure. Accordingly the deduction was disallowed and proceedings were also initiated against the Assessee under Section 271(1)(c)(c) of the Income Tax Act, 1961 (the Act).

In the penalty proceedings both the Commissioner of Income Tax(Appeals) [for short the CIT(A)] as well as the Income Tax Appellate Tribunal (for short the Tribunal) were of the view

that no information was withheld by the Assessee nor did the Assessee conceal any income or furnish inaccurate particulars so as to warrant the invoking of penalty proceedings. It was held by the Tribunal that at best it was an inaccurate computation of taxable income under the provisions of the Act and an application of wrong law by the Assessee.

In view of the concurrent findings of the CIT(A) as well as of the Tribunal, we do not think that any substantial question of law arises for our consideration. It does appear that the Assessee did not furnish inaccurate particulars nor did the Assessee conceal its income but merely applied the inaccurate legal position in its return.

Dismissed.

MADAN B. LOKUR, J

S. MURALIDHAR, J

NOVEMBER 29, 2007