

Delhi High Court

The Commissioner Of Income Tax ... vs Nestle India Ltd. on 1 October, 2010

Author: Manmohan

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* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ ITA 1508/2010

THE COMMISSIONER OF
INCOME TAX (LTU)

..... Appellant

Through: Mr. Sanjeev Sabharwal, , Advocate

versus

NESTLE INDIA LTD.

..... Respondent

Through: Mr. Ajay Vohra, Advocate with Ms. Kavita Jha, Advocate.

% Date of Decision: 01st October, 2010 CORAM:

HON'BLE THE CHIEF JUSTICE HON'BLE MR. JUSTICE MANMOHAN

1. Whether the Reporters of local papers may be allowed to see the judgment?

2. To be referred to the Reporter or not?

3. Whether the judgment should be reported in the Digest? MANMOHAN, J CM No. 17302/2010 (exemption) Allowed, subject to all just exceptions. Accordingly, the application stands disposed of. ITA 1508/2010

1. The present appeal has been filed under Section 260A of Income Tax Act, 1961 (for brevity, "Act") challenging the order dated 06th November, 2009 passed by the Income Tax Appellate Tribunal (in short "Tribunal") in ITA No. 12/Del/2008, for the Assessment Year 1995- 1996.

2. The issue involved in this appeal is with regard to deletion of penalty imposed by the Assessing Officer (in short, "AO") under Section 271(1)(c) of the Act in respect of guest house expenses and the claim of the respondent-assessee for interest income from Fixed Deposit Receipts under Section 80HHC of the Act.

3. Mr. Sanjeev Sabharwal, learned counsel for the revenue fairly stated at the bar that the respondent-assessee had filed its return of income for the relevant assessment year much prior to the issuance being finally settled by this Court and the Supreme Court against the respondent-assessee.

4. Consequently, as the said expenses were debatable on the date the respondent-assessee filed its

return, we are of the opinion that no penalty can be levied [see Malabar Industrial Co. Ltd. Vs. CIT (2000) 243 ITR 83 (SC)]. Accordingly, the present appeal is dismissed in limine.

MANMOHAN, J CHIEF JUSTICE OCTOBER 01, 2010 js