(2007) 07 DEL CK 0060

In the Delhi High Court

Commissioner of Income Tax APPELLANT

Vs

Dewan Steels Ltd. RESPONDENT

Date of Decision : 13-07-2007

Acts Referred:

Citation : (2009) 311 ITR 161 : (2007) 165 TAXMAN 526

Hon'ble Judges : Vidya Bhushan Gupta, J;Madan B. Lokur, J

Bench : Division Bench

Judgement

CM No. 8352/2007

1. Heard learned Counsel for the revenue.

2. Although there is some delay in re-filing the appeal, we condone it. The application is allowed.

CM stands disposed of.

ITA No. 559/2007

3. The revenue is aggrieved by an order dated 10-3-2004 passed by the Income Tax Appellate Tribunal, Delhi Branch ''A'', New Delhi in ITA No. 398/Del/2000 and CO No. 239/Delhi/2003 relevant for the assessment year 1996-97.

4. The assessed had adopted the cost method for valuation of closing stock. The assessing officer held that the assessed could not explain the basis on which this method was adopted and, Therefore, made certain additions.

5. In appeal, both the Commissioner (Appeals) as well as the Income Tax Appellate Tribunal found that the assessed had been following the same method of stock valuation for the last few previous years and that that method had been accepted by the revenue. It was found that there was no change in the method adopted by the assessed and, Therefore, the assessing officer was not justified in not accepting the return filed by the assessed. It was also found that the method adopted by the assessed was in accordance with well-accepted accounting

principles. On this basis, both the authorities deleted the addition made by the assessing officer.

6. We are of the opinion that since the assessed had been adopting a consistent method for valuation of closing stock, which has been accepted by the revenue on earlier occasions also and that the method was in accordance with well-accepted accounting principles, the Tribunal was right in taking the view that it did.

7. Under the circumstances, we are of the view that no substantial question of law arises in this appeal.

8. Dismissed.