



IN THE HIGH COURT OF DELHI AT NEW DELHI

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ITR Nos.104-105/77

Date of Decision: 13th July, 2000

M/s Punjab Sugar Mills Co. Ltd. .... Petitioner  
Delhi-I, New Delhi

Through: None.

VERSUS

Commissioner of Income-tax ..... Respondent  
Delhi

Through: Mrs.Prem Lata Bansal,  
Advocate.

CORAM:

THE HON'BLE MR. JUSTICE ARIJIT PASAYAT, CHIEF JUSTICE  
THE HON'BLE MR. JUSTICE D.K.JAIN

1. Whether reporters of local papers may be allowed to see the judgment?
2. To be referred to the Reporter or not?

Arijit Pasayat, C.J.(Oral)

At the instance of Revenue in ITC Nos.25 and 26/72, following questions have been referred for the opinion of this Court under Section 66(2) of the Indian Income-tax Act, 1922(for short the Act) by the Income-tax Appellate Tribunal, Delhi Bench 'C'(for short the Tribunal):

R.A. No.502

- "1. Whether on the facts and in the circumstances of the case, the Tribunal was justified in holding that no services were rendered by the Sole Selling Agent M/s Gokulnagar Sugar Mills Company Limited to M/s Punjab Sugar Mills Company Ltd?

...contd/-



: 2 : ITRs104-105/77

(4)

2. Whether on the facts and in the circumstances of the case, the Tribunal was justified in holding that the only real commission incurred by the company was the amount paid to the sub-agents of the sole selling agent and that the commission paid to the sole selling agent did not constitute payment of commission by the assessee laid out wholly and exclusively for the purpose of the business of the assessee?"

R.A.No.501

- "1. Whether on the facts and in the circumstances of the case, the Tribunal was justified in holding that no services were rendered by the sole selling agent, M/s Gokulnagar Sugar Mills Company Limited to M/s Punjab Sugar Mills Company Ltd.?"

2. Whether on the facts and in the circumstances of the case, the Tribunal was justified in holding that the only real commission incurred by the company was the amount paid to the sub-agents of the sole selling agent and that the commission paid to the sole selling agent did not constitute payment of commission by the assessee laid out wholly and exclusively for the purpose of the business of the assessee?"

2. The assessment years involved are 1958-59 and 1959-1960. The point of controversy was whether any services were rendered by the sole selling agents. Tribunal, inter alia, observed that sole selling agents were not the real sole selling agents of the company but were just bogus intermediaries produced in the picture and, therefore, the amount of commission shown as paid to the sole selling agents did not constitute payment of commission by the assessee laid out wholly and

...contd/-



(5)

: 3 : ITRs104-105/77

exclusively for the purpose of business of the assessee. The conclusions are essentially factual which do not raise question of law. Further there was no appearance on behalf of the assessee when the matter was called. Learned counsel for the revenue reiterated the stand taken before the authorities and the Tribunal that there was no evidence whatsoever of involvement of so-called sole selling agents and the attempt was to show that the sole selling agents were intermediaries in form between the mills and the sub-agents. As stated above, the conclusions are essentially questions of fact which do not raise any questions of law. Therefore, we decline to answer the questions.

The references are accordingly returned unanswered.

CHIEF JUSTICE

D.K.JAIN, J.

13th July, 2000  
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