



\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **ITA 1245/2006**

**COMMISSIONER OF INCOME TAX DELHI ..... Appellant**  
**Through Mr. R.D. Jolly**

**versus**

**M/S MAJESTIC HOTELS LTD. .... Respondent**  
**Through Ms. Kavita Jha**

**CORAM:**

**HON'BLE MR. JUSTICE MADAN B. LOKUR**

**HON'BLE MR. JUSTICE VIPIN SANGHI**

**ORDER**

**% 30.08.2006**

In view of the decision in the connected matters being ITA Nos.723/06, 724/06, 726/06, 727/06, 728/06, 729/06, 730/06, 731/06, 732/06, 733/06, 734/06, 735/06, 736/06 and 737/06 which admittedly raised an identical question of law namely:-

“Whether the Tribunal was right in law in holding that the Assessee could not be treated to be in default u/s. 201 of the Income Tax Act as he was under a bonafide belief that the payments made to TFCI were exempt from deduction of tax



at source under Sec.194 A(3) (iii) (b) of the said Act. If so, what is the effect of non-deduction of the tax in the facts and circumstances of the present case?"

the appeal is allowed and the order of the Tribunal dated 30<sup>th</sup> August, 2005 is set aside and the order passed by the Commissioner of Income Tax is restored.

No costs.

A handwritten signature in black ink, appearing to read 'Madan Lokur'.

**MADAN B. LOKUR, J**

A handwritten signature in black ink, appearing to read 'Vipin Sanghi'.

**VIPIN SANGHI, J**

**AUGUST 30, 2006**

Upreti