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

+ ITA 1018/2006

COMMISSIONER OF INCOME TAX Appellant

Through: Ms Prem Lata Bansal with
Mr Paras Chaudhary

versus

MOHAN MEAKIN LTD. Respondent

Through: Mr C.S. Aggarwal, Sr Advocate with
Mr Prakash Kumar**CORAM:****HON'BLE MR JUSTICE BADAR DURREZ AHMED****HON'BLE MR JUSTICE SIDDHARTH MRIDUL****ORDER**

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05.02.2010

The Revenue has filed this appeal in respect of the assessment year 1989-90 being aggrieved by the order passed by the Income Tax Appellate Tribunal on 22nd December, 2006 in ITA No.4972/Del/1993. The Revenue has proposed the following questions:-

- (a) Whether ITAT was correct in law in holding that the excise duty payable by the assessee on closing stock as well as un-cleared goods had not to be included in the valuation of closing stock and thereby deleting the addition of Rs 5,83,995/- made by the Assessing Officer?



- (b) Whether ITAT was correct in deleting the addition of Rs 1,32,90,044/- made by the Assessing Officer by disallowing assessee's claim due to change of accounting method?
- (c) Whether ITAT was correct in law in allowing the deduction of liability on account of bonus to the assessee on cash basis as well as on the basis of mercantile system of accounting?
- (d) Whether amendment in Company's Act and the method of accounting enjoined under the Company's Act had any relevant bearing on the working of "profit" to be made under the provisions of Income Tax Act?

Inssofar as the proposed question (a) is concerned, the same stands covered against the Revenue in favour of the assessee by virtue of the decision rendered by this Court in ITA No.984, 988, 989, 991 and 1009/2009 on 21st October, 2009 in the case of the very same assessee. As regards the other three proposed questions, we find that the same do not raise any substantial questions of law. Till the assessment year 1988-89, the claim of bonus was made on actual payment basis. From the assessment year 1989-90, the same has been made on accrual basis.

It is an accepted position that from the assessment year 1990-91 onwards this method of computation has been followed and has been regularly accepted by the Revenue.

Consequently, the remaining proposed questions (b), (c) and (d) also do



not arise for any further consideration. The result is that there is no substantial question of law which requires to be determined by this Court.

The appeal is dismissed.

Badar Durrez Ahmed
BADAR DURREZ AHMED, J

Siddharth Mridul
SIDDHARTH MRIDUL, J

FEBRUARY 05, 2010
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