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

+ ITA 924/2008

COMMISSIONER OF INCOME TAX DELHI IV Appellant
Through Mr. Kiran Babu, Advocate

ersus

GREEN TECH SEED INTERNATIONAL P.LTD. Respondent
Through Mr. Rajat Navet, Advocate

CORAM:**HON'BLE MR. JUSTICE S. RAVINDRA BHAT****HON'BLE MR. JUSTICE R.V.EASWAR**

ORDER
17.07.2012

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The Revenue urges two questions of law containing that they are substantial in nature and have to be considered by the Court.

The first one pertains to the correctness of the ITAT's order remanding the order back to the Assessing Officer only in respect of the profit on sales return and not with respect to the difference in valuation of stock. The second point alleges that the impugned order of the ITAT is perverse in law and on facts it did not consider the fact that value of sales returns have relevant bearing on valuation of stock, and therefore, the Tribunal should have remanded the issue, having regard to the closing of stock and its sale at the relevant assessment years.

We have heard learned counsel for the parties.

The AO had, as far as the question of stock was concerned, concluded that having regard to the total sale (Rs.22,02,751/-), the total stock was (Rs. 44,50,238/-). Consequently, the AO added back Rs. 75,64,617/- to the assessee's income in the assessee's appeal. The Commissioner noticed the same and held that the Assessing Officer had jumped to the conclusion that the difference has to be added back without properly appreciating that the stock statements pertain to the period from April to August



and also had not properly considered and taken into consideration the profit margin since the total sum of Rs. 22,02,751/- turns over, for the relevant period while calculating the additions determined by the Assessing Officer. The ITAT confirmed the CIT(A)'s order.

This Court has gone through the facts and has considered the records. The reasoning of the ITAT as well as the CIT's appeal is sound and convincing. The Assessing Officer overlooked the fact that the stocks which were taken into consideration were from the period from April to August of the relevant previous year. This error was compounded also by the fact that he did not take into consideration the stock statements which were on the record. The finding of the CIT and the ITAT therefore do not call for any interference.

In view of the above reasoning, no such questions arise or has been made out on the facts.

This Court is also mindful of the fact that the ITAT has made a limited remand order to the assessing officer on the question of return of sales and whether the said amount has been taken into consideration for the assessment purposes.

For the above reasons, this Court is of the opinion that there is no substantial question of law arises for consideration. So, the appeal is accordingly dismissed.

A handwritten signature in black ink, appearing to read 'S. Ravindra Bhat'.

S.RAVINDRA BHAT, J

A handwritten signature in black ink, appearing to read 'R.V. Easwar'.

R.V.EASWAR, J

JULY 17, 2012

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