

**IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCHES 'SMD', CHANDIGARH**

BEFORE MS. DIVA SINGH, JUDICIAL MEMBER
AND Dr. B.R.R.KUMAR, ACCOUNTANT MEMBER

ITA No. 532/CHD/2018
Assessment Year: 2013-14

The ITO,
Nahan.

Vs

M/s Sai Bliss Drugs &
Pharmaceuticals,
Village Gondpur, Paonta Sahib,
Distt. Sirmour (HP).
PAN : ABCFS9508C

(Appellant)

(Respondent)

Appellant by : Shri Yoginder Mittal, Addl. CIT
Respondent by : None

Date of hearing : 12.07.2018
Date of Pronouncement : 04.09.2018

ORDER

PER DIVA SINGH

The present appeal has been filed by the assessee assailing the correctness of the order dated 08.02.2018 of CIT(A) Shimla pertaining to 2013-14 assessment year on the following grounds :

1. *On the facts and in the circumstances of the case, the Ld. CIT(A) has erred in deleting the addition of Rs.25,89,840/- made by the A.O. by restricting the claim of the assessee to 25% as against the 100% claim made in the 7th year, ignoring the fact that units which commenced production after 07.01.2003 can't carry out multiple "substantial expansion" as per provisions of section 80-IC of the Income Tax Act and as explained in CBDT Circular No. 07/2003.*

2. *On the facts and in the circumstances of the case, the Ld. CIT(A) has erred in holding that there can be more than one "initial assessment year" for availing the deduction under section 80IC of the Income Tax Act. In other words, the assessee can first claim deduction from the initial assessment year, being the year of setting up of the industrial undertaking and, thereafter, once again claim the deduction from another initial assessment year, being the assessment year in which the assessee carries out substantial expansion of its undertaking.*

2. At the time of hearing, no one was present on behalf of the assessee. However, since the relief has been granted to the assessee by the CIT(A) relying upon the decision of the jurisdictional High Court in the case of Stovekraft of India Vs CIT 160 DTR 378, it was considered appropriate to proceed with the appeal ex-parte qua the assessee respondent on merits. The ld. Sr.DR has been heard. The aforesaid decision of the jurisdictional High Court in view of the decision of the Apex Court i.e. CIT Vs Classic

Binding Industries (2018) 96 taxmann.com 405 (S.C) is no longer good law. However, even otherwise it is seen that the tax effect involved in the present appeal is much below the stipulated amount of Rs. 20 lacs as per the latest CBDT Circular No.3/2018 dated 11.07.2018 directing the tax authorities to withdraw/not press the appeals wherein the tax effect is less than the said amount. Accordingly, in the light of the facts as set out herein above, the appeal of the Revenue is dismissed. Said order was pronounced in the Open Court at the time of hearing itself.

3. In the result, appeal of the Revenue is dismissed.

Order pronounced in the Open Court on 04.09. 2018.

Sd/-

Sd/-

(Dr.B.R.R.KUMAR)
ACCOUNTANT MEMBER

(DIVA SINGH)
JUDICIAL MEMBER

'Poonam'

Copy to:

1. The Appellant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR

Asstt. Registrar
ITAT,Chandigarh.