आयकर अपीलीय अधिकरण,चण्डीगढ़ न्यायपीठ, "बी" चण्डीगढ़

IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, 'B', CHANDIGARH

श्री एन. के. सैनी, उपाध्यक्ष एवं श्री संजय गर्ग, न्यायिक सदस्य

BEFORE SHRI N.K. SAINI, VICE PRESIDENT &
SHRISANJAY GARG, JUDICIAL MEMBER

आयकरअपीलसं./**ITA No. 1500/CHD/2017**

निर्धारणवर्ष / Assessment Year : 2011-12

The DCIT, Circle-5, Ludhiana	Vs. बनाम	M/s Satyam Auto Components Pvt Ltd., G.T.Road, Hero Nagar, Ludhiana
स्थायीलेखासं./PAN NO: AACCS2689E		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

आयकरअपीलसं./**ITA No. 589/CHD/2018**

निर्धारणवर्ष / Assessment Year : 2012-13

The DCIT, Circle-5, Ludhiana	Vs. बनाम	M/s Satyam Auto Components Pvt Ltd., G.T.Road, Hero Nagar, Ludhiana
स्थायीलेखासं./PAN NO: AACCS2689E		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

निर्धारितीकीओरसे/Assessee by : Sh. Manjit Singh, CIT DR

राजस्वकीओरसे/ Revenue by : Sh. Subhash Aggarwal, Advocate

सुनवाईकीतारीख/Date of Hearing : 01.07.2019

उदघोषणाकीतारीख/Date of Pronouncement : 11.07.2019

आदेश/Order

Per Sanjay Garg, Judicial Member:

The captioned appeals relating to assessment year 2011-12 and 2012-13 have been preferred by the Revenue against the orders dated

21.08.2017 and 14.2.2018 of the Commissioner of Income Tax (Appeals)-2, Ludhiana [hereinafter referred to as CIT(A)] respectively.

2. First, we shall take up Revenue's appeal for assessment year 2011-12.

ITA No. 1500/Chd/2017 for A.Y. 2011-12 :

3. The Department in this appeal has taken following grounds of appeal:-

1. *Whether the Ld. CIT(A) was right in law in treating enduring nature training expenses done on manufacturing system as revenue expenditure ?*

2. *Whether the Ld. CIT(A) was right in law in treating interest income received from Citibank as Capital receipt ?*

3. *Whether the Ld. CIT(A) was right in law in treating spouse travel expenses of Director as business expenses ?*

4. *Whether the Ld. CIT(A) was right in law in deleting disallowance u/s 36(l)(iii), where assessee used borrowed funds for acquisition of fixed assets*?

4. **Ground No.1**: The issues raised vide ground No.1 is as to whether the expenditure incurred on training of the employees is to be treated as capital expenditure or Revenue expenditure. The Assessing Officer treated the expenditure as capital in nature observing that the expenditure incurred on training of the employees was for getting enduring benefit, hence, the same could not be considered as Revenue expenditure.

5. In appeal, the Ld. CIT(A), however, did not agree with the findings of the Assessing Officer and held that the expenditure incurred by the assessee on the travelling was Revenue in nature. The relevant part of the order of the CIT(A) is reproduced as under:-

> *"6.2 I have considered the observations of the Assessing Officer as made by him in the assessment order while making the impugned addition. I have also considered written submissions filed by the assessee company through its learned AR vide letter dated* ***17.05.2016*** *on the issue under reference. I have further considered various judicial pronouncements relied upon by the learned AR of the assessee company as well as other material placed by him on record. On careful consideration of the assessment order, it has been noticed that the Assessing Officer has made the impugned addition as the assessee company in the opinion of the Assessing Officer has incurred these expenses for getting enduring benefit and as such cannot be allowed as revenue expenses. On the other hand, the learned AR of the assessee company has submitted that the assessee company had debited total training expenses at Rs.30,10,738/- as under:-*
>
> | | |
> |---|---|
> | *Gurgaon Unit* | *Rs. 26,28,441/-* |
> | *Haridwar U:nit* | *Rs. 3,82,297/-* |
> | *Total* | *Rs. 30,10,738/-* |
>
> *It has also been submitted that the assessee company appointed 'Q-Spread' to impart training to the manufacturing staff to make it more productive & qualitative. It has further been submitted that the persons from that concern had visited every month and imparted their knowledge to train the staff. It has further been submitted that the payment was made every month after deducting TDS. It has again been submitted that the Assessing Officer has treated this expenditure as* ***"long term benefit"*** *for enhancement of manufacturing process & treated the expenses as of capital expenditure by adding the total amount of Rs. 19,04,914/- to the total income of the assessee company. It has again been submitted that the assessee company has incurred this expenditure* ***"wholly and exclusively"*** *for the purpose of business. It has again been submitted that the expenditure has been incurred voluntarily but on the grounds of commercial expediency and in order to facilitate carrying on business more efficiently and productively as*

the assessee company is manufacturer of parts of automotive components which is highly technical in nature. It has again been submitted that the expenditure under consideration has been incurred for keeping the trade going and making it pay. On this preposition, the learned AR of the assessee company relied upon the decision of the Honorable Apex Court in the case of Hazi Aziz and Abdul Shakoor Bros. Vs. CIT 41 ITR 350 (SC). It has again been submitted that the Assessing Officer has wrongly presumed that the training is to change the manufacturing system whereas there was no change in the manufacturing system or manufacturing process. It has again been submitted that the objective of training was only to educate the workers by explaining the different processes for increasing the productivity and quality of the goods manufactured by the assessee company. It has again been submitted that the Assessing Officer has brought nothing on record to prove that the expenditure incurred by the assessee company on training was to bring an asset into existence. On this preposition, the learned AR of the assessee company relied upon the decision of the Honorable Apex Court in the case of CIT Vs. Associated Cements Companies Limited 172 ITR 257(SC). Apart from this, reliance has also been made on the following decisions:-

(i). Alembic Chemical Works Co. Ltd. Vs. CIT 177 ITR 377 (SC)
(ii). CIT Vs. Southern Roadways Limited 304 ITR 88 (Mad)(HC)

It has again been submitted that the expenditure incurred is of revenue in nature as against treated by the Assessing Officer as capital expenditure. On this preposition, the learned AR of the assessee company relied upon the following judicial pronouncements:-

(a) Hindustan Aluminum Corporation Limited Vs. CIT 159 ITR 673 (Cal.)

(b) CIT Vs. Tata Engineering & Locomotive Company (P) Limited 123 ITR 538 (Mumbai.)

(c) M/s Sony India (P) Limited Vs. DCIT [ITAT Del] 315 ITR 150 (Delhi.)

(d) CIT Vs. Indian Visit.com(P)Ltd (2009)176 Taxman 164 (Delhi)

(e) In view of the above stated facts, it has been requested that the expenditure may be allowed as revenue expenditure. Alternatively, it has been submitted that the expenditure on training to the extent of Rs. 1,55,574/- has been incurred by the Haridwar Unit of the assessee company and as such deduction to this extent may also be allowed. In other words, it has been submitted that the disallowance may be reduced by an amount of Rs. 1,55,574/- as the deduction under section 80IC of the Act is available to the Haridwar Unit of the assessee company. On careful consideration of the rival contentions, I am inclined to agree with the contentions of the learned AR of the assessee company. I am also of the opinion that the expenditure on training has been incurred to increase the skill of the employees/workers of the assessee company and there was no change in the pattern of manufacturing or manufacturing processes. No doubt, the skill of the employees/workers will long last but it does not mean that the expenditure is capital in nature. Moreover, the expenditure on training of employees/ workers has been incurred for the existing business of the assessee company to increase the efficiency of the employees/workers engaged in manufacturing process and to increase the productivity of the assessee company and as such cannot be treated as capital expenditure under any circumstances. The judicial pronouncements relied upon by the learned AR of the circumstances, the action of the Assessing Officer in making an addition of Rs. 19,04,914/- in this case on account of capitalization of training expenses cannot be said to be justified.

6.3 In view of the above stated facts and in the circumstances of the case, I am of the opinion that the Assessing Officer is not justified in making an addition of Rs. 19,04,914/- in this case on account of capitalization of training expenses. So, the addition of Rs. 19,04,914/- made by the Assessing Officer in this case on account of capitalization of training expenses is, therefore, directed to be deleted. In the result, the ground No. 2 of appeal taken by the assessee company is allowed."

6. A perusal of the above findings of the CIT(A) reveals that the Ld. CIT(A) while relying upon the various case laws has observed that the expenditure on training of the working employees had been incurred for

the existing business of the assessee company to increase the efficiency of the employees / workers engaged in the manufacturing process and to increase the productivity of the assessee company and, hence, as such, could not be treated as capital expenditure in any circumstances. The findings of the Ld. CIT(A) are based on various case laws including that of the Hon'ble Bombay High Court in the case of '**CIT vs Tata Engineering & Locomotive Co. (P) Ltd.' [123 ITR 538].** No contrary decision has been cited before us by the Ld. DR.

We, therefore, do not find any infirmity in the order of the Ld. CIT(A) and the same is accordingly upheld.

7. **Ground No.2**: Vide ground No.2, the Revenue is aggrieved by the action of the CIT(A) in deleting the addition made by the Assessing Officer on account of undisclosed interest income received by the assessee form CITI bank scheme. The Assessing Officer made the addition into the income of the assessee on the ground that the assessee had not disclosed the interest income received from CITI bank. The Ld. CIT(A), however, deleted the additions so made by the Assessing Officer observing as under:-

> *"7.3 I have considered the observations of the Assessing Officer as made by him in the assessment order while making the impugned addition. I have also considered written submissions filed by the assessee company through its learned AR vide letter dated 17.05.2016 on the issue under reference. I have further considered various judicial pronouncements relied upon by the learned AR of the assessee company as well as other material placed by him on record. On*

careful consideration of the assessment order, it has been noticed that the Assessing Officer has made the impugned addition as the assessee company has not disclosed interest income received by it from Citibank as per Citibank Scheme. On the other hand, the learned AR of the assessee company has submitted that the identical matter came before the Honorable ITAT, Chandigarh in the case of M/s Hero Exports Ludhiana and the Honorable ITAT was pleased to delete the addition made under identical circumstances in the case of M/s Hero Exports vide its order in ITA No. 514/Chd/2015 dated 03.08.2016. To prove his point, the learned AR of the assessee company has also placed the copy of the order of Honorable ITAT on record. It has also been submitted that the assessee company has received only principle amount and no interest amount has been received from Citibak as alleged by the Assessing Officer which is clear from the agreement of settlement entered into between the assessee company and the Citibank, the relevant paras of which are also been incorporated in the written submissions which have already been reproduced above. On careful consideration of the rival contentions, I find the contentions of the learned AR of the assessee to be true and correct. Moreover, identical addition made by the Assessing Officer in A.Y. 2011-12 under identical circumstances in the case of M/s Hero Exports stands deleted by the Honorable ITAT, Chandigarh vide its order in ITA No. 514/Chd/2015 dated 03.08.2016. As the facts of the case of the assessee company are identical to the facts of the case of M/s Hero Exports for the A.Y. 2011-12, the addition made by the Assessing Officer under consideration also deserves to be deleted. Under such circumstances, the action of the Assessing Officer in making an addition of Rs. 1,05,00,000/- in this case on account of undisclosed interest income received from Citibank Scheme cannot be said to be justified.

7.4 In view of the above stated facts and in the circumstances of the case, I am of the opinion that the Assessing Officer is not justified in making an addition of Rs. 1,05,00,000/- in this case on account of undisclosed interest income received from CITIbank scheme. So, the addition of Rs. 1,05,00,000/- made by the Assessing Officer in this case on account of undisclosed interest income is, therefore, directed to be deleted. In the result, the ground No.3 of appeal taken by the assessee company is allowed."

8. We have heard the rival contentions on this issue. The Ld. CIT(A) in the impugned order has held that the assessee company had received only principle amount and no interest amount from the CITI Bank. He, has further relied upon the decision of the Tribunal dated 3.8.2016 in the case of 'M/s Hero Exports vs CIT' ITA No. 514/Chd/2015 (supra). No contrary decision has been cited before us by the Ld. DR. In view of this, we do not find any merit in this ground taken by the Revenue and the same is accordingly dismissed.

9. **Ground No.3**: Vide ground No.3, the Revenue has contested the action of the CIT(A) in treating the disallowance made by the Assessing Officer on account of travelling expenses of the spouse and children of the director to foreign countries. The Assessing Officer was of the view that the foreign travelling expenses incurred by the assessee company in the case of spouse and children of director could not be said to be for business purposes.

10. In appeal, the assessee explained before the CIT(A) that the foreign travelling expenses totaling Rs. 40,56,279/- relates to five foreign tours. In case of first tour to Hong Kong, the total expenditure of Rs. 1,31,171/- was considered as perquisite in the hands of the director. Further, for the trip to Bangkok, an expenditure of Rs.

5,55,179/- was incurred, however, the trip was undertaken only by the director, hence, no disallowance was warranted in respect of the said trip. Further, travelling expenditure of the children and spouse of the director in respect of Hong Kong trip had already been included as perquisite in the hands of the director. That in respect of the remaining trips, foreign travelling expenditure of the spouse of the director since incurred for business purposes was allowable expenditure. Further, the assessee relied upon the decision of the Tribunal in the own case of the assessee for assessment year 2009-10 vide order dated 13.12.2012 and submitted that the expenditure attributable to boarding and lodging of the children should be taken as 25% of the total expenditure on boarding and lodging as against 50% taken by the Assessing Officer. The Ld. CIT(A) accordingly restricted the addition to Rs. 4,90,026/- in respect of 25% of the boarding and lodging expenses of the children of the director relating to Europe & Hong Kong Trips. The relevant part of the order of the CIT(A) is reproduced as under:-

> *"9.2 I have considered the observations of the Assessing Officer as made by him in the assessment order while making the impugned addition. I have also considered written submissions filed by the assessee company through its learned AR vide letter dated* ***17.05.2016*** *on the issue under reference. I have further considered various judicial pronouncements relied upon by the learned AR of the assessee company as well as other material placed by him on record. On careful consideration of the assessment order, it has been noticed that the Assessing Officer has made the impugned addition as the foreign travelling expenses incurred by the assessee company in the cases of*

wife and children of directors cannot be said to be for business purposes. On the other hand, the learned AR of the assessee company has submitted that the foreign traveling expenses of Rs.40,56,279/- relates to 5 foreign tours, the detail of which is given in the written submissions as reproduced above. It has also been submitted that the first tour to Hong Kong for which total expenditure of Rs.131171/- was incurred, has been totally considered as perquisite in the hands of director of the assessee company and accordingly no disallowance is called for out of these tour expenses. It has further been submitted that the trip to Bangkok for which an expenditure of Rs.555179/- incurred, was undertaken only by director and accordingly no disallowance is called for as the same has been treated for the purpose of the business. It has again been submitted that the traveling expenses of children and spouse of the directors on another trip to Delhi/Hkg/Delhi has already been included as ***"perquisite"*** *in the hands of director. It has again been submitted that the traveling expenses incurred on spouses have also been considered as perks, though, the Honorable IT AT Chandigarh Bench in the assessee' s own case for the A.Y. 2008-09 has allowed the total expenditure incurred on traveling of spouses as* ***business expenditure"****. It has again been submitted that the Assessing Officer has disallowed expenses out of boarding and lodging charges @ 50% by considering these expenses pertaining to spouse and children while on tour with directors. It has again been submitted that my learned predecessor in office while deciding appeal of the assessee company for the A.Y. 2009-10 has held vide his/her order dated 13.12.2012 that the expenses attribute able to boarding and lodging of children should be taken at 25% of the total expenditure on boarding and lodging and not at 50% and the expenditure incurred on spouse of the directors is to be treated as business expenditure by following the decision of the Honorable ITAT Chandigarh in ITA No. 183/Chd/2012 in assessee' s own case for the A.Y. 2008-09. It has again been submitted that the disallowance may kindly be restricted to Rs.4,90,026/-*

(working given in the written submissions as reproduced above) by following the decision of my learned predecessor in office for the A.Y. 2009-10 as the cost of the tickets of children and spouses have already been considered as ***"perk"*** *at Rs.2,58,815/- and Rs.3,30,564/- in the hands of directors. On careful consideration of the rival contentions, I find a lot of force in the submissions of the learned AR of the assessee. Moreover, identical matter has been decided by my predecessor in office in the case of the assessee company itself for the A.Y. 2009-10. So, by following the order of my learned predecessor in office for the A.Y. 2009-10, the disallowance out of foreign traveling expenses is restricted to Rs.4,90,026/-, the working of which is given by the learned AR of the assessee in the written submissions as reproduced above. The boarding and lodging expenses of the spouses are treated for business purposes and allowed as done by my learned predecessor in office in A.Y. 2009-10. In the result, the ground No. 5 of appeal taken by the assessee company is partly allowed."*

11. A perusal of the above findings of the CIT(A) reveals that the Ld. CIT(A) has followed the decision of the Tribunal in the own case of the assessee of the assessee for assessment year 2008-09 and restricted the foreign travelling expenditure in relating to boarding and lodging of the children to 25% of the expenditure. The travel tickets had already been considered as perquisite in the hands of the director. We do not find any reason to interfere in the order of the CIT(A), hence, the order of the CIT(A) on this issue is upheld.

12. **Ground No.4**: Vide ground No.4, the Revenue has agitated the action of the CIT(A) in deleting the disallowance made by the

Assessing Officer u/s 36(1)(iii) of the Act on account of proportionate interest expenditure incurred for acquisition of fixes assets.

This issue has been dealt with by the Ld. CIT(A) in para 11 of the impugned order. The Ld. CIT(A) deleted the disallowance made by the Assessing Officer on this issue observing that the assessee was possessed of sufficient own funds to finance the fixed assets under consideration which were yet to put for use for business purposes. Relevant part of the findings of the Ld. CIT(A) is reproduced as under:-

> *"11.3 I have considered the observations of the Assessing Officer as made by him in the assessment order while making the impugned addition. I have also considered written submissions filed by the assessee company through* ***its*** *learned AR vide letter dated* ***17.05.2016*** *on the issue under reference. I have further considered various judicial pronouncements relied upon by the learned AR of the assessee company as well as other material placed by him on record. On careful consideration of the assessment order, it has been noticed that the Assessing Officer has made the impugned addition as the assessee company has made investment in fixed assets including buildings allegedly out of borrowed funds which have not yet been put to use for business purposes. In the opinion of the Assessing Officer, the interest expenses incurred by the assessee company for creation/acquisition of assets which are yet to be put to use for business purposes cannot be allowed as revenue expenses and needs to be capitalized in view of provisions of section 36(l)(iii) of the Act. On the other hand, the learned AR of the assessee company has submitted that the assessee company was having sufficient interest free funds in the form of internal accruals and shareholder funds to finance the fixed assets*

which according to the Assessing Officer have not been put to use for business purposes. It has also been submitted that no new term loan has been obtained and utilized by the assessee company and on the contrary the term loan outstanding has been reduced from Rs.28.22 crores to Rs.21.74 crores. It has further been submitted that the 'CC Loan' outstanding at Rs. 23.67 crores as on 31.03.2010 has been reduced to Rs.18.53 crores on 31.03.2011. It has again been submitted that the major utilization of 'CC Lon' account is for Gurgaon Unit where addition to fixed assets were only at Rs.3.1 crores. It has again been submitted that the Gurgaon Unit had made profit of Rs. 15.82 crores which is sufficient to cover investment in new aasets. It has again been submitted that there was no loan borrowed for the purpose of Ludhiana Unit as it was all from internal accruals from the company, as no fresh loan was raised by the assessee company during the year. It has again been submitted that all the additions made to fixed assets was for the "purpose of business" . It has again been submitted that no specific loan was borrowed for the acquisition of fixed assets during the year under consideration nor any nexus has been established by the Assessing Officer of the amount borrowed with the amount utilized for the purchase of fixed assets for expansion of business. It has again been submitted that the provisions of section 36(l)(iii) of the Act has no application in the case of the assessee company. It has again been submitted that my learned predecessor in office has already considered this issue in the case of M/s Munjal Sales Corporation in Appeal No. 491/IT/CIT(A)-II/LDH/2014-15 dated 10.03.2016 and deleted the addition on above facts. The copy of the order has been placed on record. It has again been submitted that the capitalization of interest of Rs.365752/- for Haridwar Unit was disallowed while computing the total income of the assessee company but the same

was not considered for the purposes of deduction under section 80IC of the Act. In support of his various contentions, the learned AR of the assessee company has also relied upon various judicial pronouncements which find mention in the written submissions as reproduced above. On careful consideration of the rival contentions, I am of the opinion that the assessee company was having sufficient interest free funds to finance the fixed assets under consideration which were yet to be put to use for business purposes. I am also of the opinion that if the assessee company is having sufficient interest free funds to finance the under consideration which were yet to be put to use for business purposes then the presumption should be drawn that the fixed assets under consideration were financed out of interest free funds available with the assessee company in the form of shareholder funds and internal accruals. As the assessee company was having sufficient interest free funds of its own to finance the assets under consideration, no disallowance out of interest expenses in my considered opinion can be made in the case of the assessee company on account of capitalization of interest expenses by invoking provisions of section 36(l)(iii) of the Act. The issue under consideration is also squarely covered by plethora of judicial pronouncements including that of the Honorable Punjab and Haryana High Court in the case of Max India Limited, Gurdas Garg, Abhishek Industries Limited, ' Kapsons Associates etc. Under such circumstances, the action of the Assessing Officer in making an addition of Rs.48,83,273/- in this case on account of capitalization of interest expenses by invoking provisions of section 36(l)(iii) of the Act on the ground that the assessee company has made investment in fixed assets including buildings allegedly out of borrowed funds which have not yet been put to use for business purposes cannot be said to be justified.

11.4 In view of the above stated facts and in the circumstances of the case, I am of the opinion that the Assessing Officer is not justified in making an addition of Rs.48,83,273/-on account of capitalization of interest expenses by invoking provisions of section 36(l)(iii) of the Act on the ground that the assessee company has made investment in fixed assets including buildings allegedly out of borrowed funds which have not yet been put to use for business purposes. So, the addition of Rs.48,83,273/- made by the Assessing Officer in this case on account of capitalization of interest expenses by invoking provisions of section 36(l)(iii) of the Act is, therefore, directed to be deleted. In the result, the ground No. 7 of appeal taken by the assessee company is allowed."

13. There is no rebuttal to the findings of the Ld. CIT(A) that he assessee was possessed of sufficient own funds to meet the expenditure incurred on the fixed assets.

This issue is now squarely covered by the recent decision of the Hon'ble Supreme court in the case of 'CIT (LTU) Vs. Reliance Industries Ltd.' [2019] 410 ITR 466 (SC), wherein, the Hon'ble Supreme Court has affirmed the proposition of law that if the own funds / interest free funds are available with the assessee to meet the investment, presumption will be that the assessee has used its own / interest free funds for the said investment.

In view of this, we do not find any infirmity in the order of the CIT(A) on this issue and the same is accordingly upheld. There is not

merit in this appeal of the Revenue and the same is accordingly dismissed.

ITA No.589/Cdh/2018 (A.Y. 2012-13):

14. The Revenue in this appeal has taken following grounds of appeal:-

I. Whether on the facts and circumstances of the case and in law, the CIT (A) has erred in treating the foreign travel expenses of family members of Director as business expenses?

II. Whether, on the fact and circumstances of the case and in law, the CIT (A) has erred in deleting the disallowance u/s 36(1) (iii) of the Act while ignoring the fact that the assessee used borrowed funds for acquisition of fixed assets and did not capitalize the interest on capital work in progress prior to the asset being put to use?

15. **Ground No.1**: The ground No.1 is relating to the travelling expenses of the family members of the director. The Ld. CIT(A) for the assessment year under consideration also restricted the disallowance on travelling expenses of the family members to the extent of 25% of the boarding & lodging charges in respect of the children out of the total foreign travelling expenditure of director and family members of the assessee company amounting to Rs. 54,65,343/-, as sum of Rs. 13,61,012/- has already been considered as perquisite in the hands of the assessee; the issue being identical as adjudicated by us while disposing of Revenue's appeal for assessment year 2011-12 and in view

of our findings given above, we do not find any merit in this ground of appeal of the Revenue and the same is accordingly dismissed.

16. **Ground No.2:** Vide ground No.2, the Revenue has agitated the action of the CIT(A) in deleting the disallowance u/s 36(1)(iii) of the Act on account of expenditure incurred for acquisition of fixes assets. This issue is identical as taken by the Revenue vide ground No.4 in the appeal bearing ITA No. 1500/Chd/2017 for assessment year 2011-12. It is undisputed that the assessee was possessed of sufficient own funds to meet the investment in question. In view of our findings given above in ITA No. 1500/Chd/2017 on this issue, this ground of appeal has no merit and the same is accordingly dismissed.

In the result, both the appeals of the Revenue are hereby dismissed.

Order pronounced in the Open Court on 11.07.2019.

Sd/-	**Sd/-**
(एन. के. सैनी / N.K. SAINI)	**(संजय गर्ग / SANJAY GARG)**
उपाध्यक्ष /Vice President	**न्यायिकसदस्य/ Judicial Member**

Dated : 11.07.2019
"आर.के."

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त/ CIT
4. आयकरआयुक्त (अपील)/ The CIT(A)
5. विभागीयप्रतिनिधि, आयकरअपीलीयआधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
6. गार्डफाईल/ Guard File

आदेशानुसार/ By order,
सहायकपंजीकार/ Assistant Registrar