

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'A' BENCH : BANGALORE**  
**BEFORE SHRI. BR BASKARAN, ACCOUNTANT MEMBER**  
**AND**  
**SMT. BEENA PILLAI, JUDICIAL MEMBER**

<b>ITA No.1149/Bang/2017</b>
<b>Assessment Year : 2007-08</b>

The Mysore Electrical Industries Ltd., PB No.2221, Tumkuru Road, Bengaluru.	<b>Vs.</b>	The Pr. Commissioner of Income-Tax, Bengaluru-7.
<b>PAN - AABCT 1006 B</b>		
<b>APPELLANT</b>		<b>RESPONDENT</b>

Assessee by	:	Smt. K Soumya, Advocate
Revenue by	:	Shri Pradeep Kumar, CIT (DR)

Date of Hearing	:	12-08-2021
Date of Pronouncement	:	18-08-2021

**ORDER**

**PER BEENA PILLAI, JUDICIAL MEMBER**

Present appeal by the assessee has been filed by assessee against order dated 27/3/2017 passed by CIT-7, Benagaluru for assessment year 2007-08.

2. The assessee has filed a letter dated 17/8/2021 requesting for withdrawing the appeal, which reads as under:-

To,

Mr. S. Parathasarthy  
Advocate  
Bangalore

Dear Sir,

Sub: Withdrawal of appeal relating to Assessment Year 2007-08  
before the Income Tax Appellate Tribunal Bangalore.

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1. The company was awarded the project by KPTCL for electrification (for the sake of brevity called Chikodi Project).
2. During the Financial Year 2006-07 relevant to Income Tax Assessment Year 2007-08 the company made a provision in its books of an amount of Rs. 99,80,000/- towards expenditure relevant to the project that had to be incurred on procurement of drake ACSR conductors.
3. This amount was claimed as expenditure by the company in its tax return filed for Assessment Year 2007-08. It is pertinent to mention here that no expenditure was actually incurred as no procurement of the said conductors was made.
4. In the course of original assessment, the said expenditure was allowed.
5. However, the principal commissioner of Income Tax III using his power of revision u/s 263 of the Income Tax Act, 1961 and after hearing the company and its authorized representative came to the conclusion that the expenditure could not be allowed as it was in the nature of a provision holding the same to be a contingent liability and not an actual liability.
6. Against the order of the PCIT III the company engaged the services of Sri. S Parthasarathy Advocate a leading tax practitioner at both the

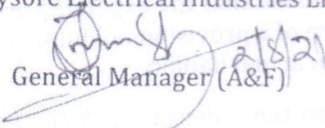
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tribunal and the High Court to file an appeal with the Income Tax Appellate Tribunal Bangalore.

7. The tribunal vide its order dt 8/1/2016 referred the file back to the PCIT to re-examine the issue.
8. On 27<sup>th</sup> day of March 2017 the then PCIT III heard the company and its authorized representative and confirmed the order u/s 263 as originally passed by her predecessor.
9. This order has been appealed against before the ITAT and is pending disposal.
10. In Financial Year 12-13 the company on account of poor progress made in the execution of the Chikodi Project and with the approval of KPTCL had the order short closed.
11. In Financial Year 2013-14 the earlier provision made of Rs. 99,80,000/- was withdrawn in the books of account by the company. In the tax return filed this amount of Rs. 99,80,000/- was deducted from income reported in the Profit and Loss Account as in the intervening years the department had already recovered the tax on the said sum based on the orders of the PCIT.
12. The return of income filed for the Assessment Year 2014-15 (FY 2013-14) was accepted by the department.
13. Consequent to the above the disallowance originally made in Assessment Year 2007-08 has been negated in Assessment Year 2014-15 by accepting the return of income filed by the company.
14. In view of the above we would like to withdraw the appeal currently pending before the ITAT as there is no amount either payable by the company or demand outstanding from the department in the matter. We also request your good self to withdraw the appeal as mentioned above.

For The Mysore Electrical Industries Limited

**Draft Approved by Managing Director**

  
General Manager (A&F)

Copy:

M/s. Iyer & Co. #14, Sevashetra Building, 1<sup>st</sup> Main, 6<sup>th</sup> Cross  
Gandhinagar Bangalore-09 for Information & needful action.

4. We heard Ld D.R, who did not object to the prayer of the assessee being withdrawn. Based on the submissions made by

Ld.AR, the present appeal is allowed to be withdrawn as infructuous.

**5. In the result, the appeal of the assessee is dismissed as withdrawn.**

Order pronounced in the open court on 18<sup>th</sup> Aug, 2021

Sd/-

(BR BASKARAN)  
Accountant Member  
Bangalore,

Dated, the 18<sup>th</sup> Aug, 2021  
/Vms/

Sd/-

(BEENA PILLAI)  
Judicial Member

**Copy to:**

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR, ITAT, Bangalore
6. Guard file

By order

Assistant Registrar, ITAT, Bangalore

		<b>Date</b>	<b>Initial</b>	
1.	Draft dictated on	On Dragon		Sr.PS
2.	Draft placed before author	-8-2021		Sr.PS
3.	Draft proposed & placed before the second member	-8-2021		JM/AM
4.	Draft discussed/approved by Second Member.	-8-2021		JM/AM
5.	Approved Draft comes to the Sr.PS/PS	-8-2021		Sr.PS/PS
6.	Kept for pronouncement on	-8-2021		Sr.PS
7.	Date of uploading the order on Website	-8-2021		Sr.PS
8.	If not uploaded, furnish the reason	--		Sr.PS
9.	File sent to the Bench Clerk	-8-2021		Sr.PS
10.	Date on which file goes to the AR			
11.	Date on which file goes to the Head Clerk.			
12.	Date of dispatch of Order.			
13.	Draft dictation sheets are attached	No		Sr.PS