

**(1975) 11 AHC CK 0017**

**Allahabad High Court**

**Case No:** Income Tax Application No. 334 of 1975

COMMISSIONER OF INCOME  
TAX, LUCKNOW-I, LUCKNOW

APPELLANT

Vs

M/S. PREM SPINNING AND  
WEAVING MILLS CO. LTD.

RESPONDENT

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**Date of Decision:** Nov. 7, 1975

**Citation:** (1976) 5 CTR 51(1)

**Hon'ble Judges:** R. L. Gulati, J

**Bench:** Division Bench

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### **Judgement**

@JUDGMENTTAG-ORDER

R. L. Gulati, J. - The assessee had set up a straw board business on 14th March, 1970 and closed its accounts on 12th April, 1970. The question arise as what was the previous year of this business. The tribunal has found that the previous year of the business was the period from 14th March 1970 to 12th April 1970. This is a pure finding of fact and gives rise to no question of law.

2. The second question relates to deduction on account of interest paid by the assessee during the relevant previous year. The assessee had borrowed certain funds from the U.P. Textile Corporation for setting up the business. Although the interest might have related to a period prior to the date of the commencement of the business, but the payment of the interest was made during the relevant previous year. Any interest paid by an assessee on account of interest on capital borrowed for purposes of business is clearly admissible deduction. This question also is not a question of law upon which a reference may be called.

3. The application is rejected.