

(1991) 01 AHC CK 0054

Allahabad High Court

Case No: Income-tax Reference No. 130 of 1979

Commissioner of Income Tax

APPELLANT

Vs

Raghbir Dayal Jai Prakash

RESPONDENT

Date of Decision: Jan. 31, 1991

Acts Referred:

- Income Tax Act, 1961 - Section 37, 43B

Citation: (1991) 192 ITR 170

Hon'ble Judges: B.P. Jeevan Reddy, C.J; R.A. Sharma, J

Bench: Division Bench

Final Decision: Dismissed

Judgement

B.P. Jeevan Reddy, C.J.

u/s 256(1) of the income tax Act, 1961, the following question has been stated by the Income Tax Appellate Tribunal, Delhi Bench "E":

"Whether, on the facts and in the circumstances of the case, the Tribunal was justified in holding that the assessee was entitled to the deduction of a sum of Rs. 78,569, being "the assessee's accrued and ascertained liability for the assessment year 1968-69 ?"

2. The assessment year concerned is 1968-69. By that year, Section 43B had not come into force. The assessee was maintaining his accounts on the mercantile basis ; therefore, purchase tax collected by him, which was payable by him but not paid during the relevant accounting year, is all the same deductible as held by this court in Commissioner of Income Tax Vs. Poonam Chand Trilok Chand, and Addl. Commissioner of Income Tax Vs. Durga Prasad Kamta Prasad.

3. Accordingly, the question referred is answered in the affirmative that is in favour of the assessee and against the Revenue.