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**(1991) 01 AHC CK 0054**

**Allahabad High Court**

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

Commissioner of Income Tax

APPELLANT

Vs

Raghubir Dayal Jai Prakash

RESPONDENT

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**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

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### **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.