

## Commissioner of Income Tax Vs U.M. Kidwai

**Court:** Gauhati High Court

**Date of Decision:** Jan. 10, 1996

**Acts Referred:** Income Tax Act, 1961 " Section 256(1)

**Citation:** (1996) 219 ITR 130

**Hon'ble Judges:** S.L. Saraf, J; D.N. Baruah, J

**Bench:** Division Bench

**Advocate:** G.K. Joshi, for the Appellant; A.K. Saraf and K.K. Gupta, for the Respondent

### Judgement

1. The following question has been referred u/s 256(1) of the Income Tax Act, 1961, for the opinion of this court :

Whether, on the facts and in the circumstances of the case, the Tribunal was justified in law in deciding that the interest received on delayed

payment of compensation to be assessed on the accrual basis from year to year though the assessee followed the cash system of accounting ?

2. We have heard Dr. A.K. Saraf, counsel appearing for the assessee, and Mr. G.K. Joshi, senior standing counsel for the Revenue. Dr. Saraf

submits that this case is squarely covered by the decisions in K.S. Krishna Rao Vs. Commissioner of Income Tax, Andhra Pradesh, and Rama Bai

and Others Vs. Commissioner of Income Tax, Andhra Pradesh Hyderabad and Others, We have perused the said judgments and find that the

proposition of law laid down by the apex court in the said decisions is applicable in this case. Following the decisions in the said cases, we answer

the question in the affirmative, i.e., in favour of the assessee and against the Revenue.

3. A copy of this judgment under the signature of the Registrar and the seal of the High Court shall be transmitted to the Income Tax Appellate

Tribunal.

4. In the facts and circumstances of the case, there will be no direction as to costs.