

Commissioner of Income-Tax Vs Standard Vacuum Oil Co.

Court: SUPREME COURT OF INDIA

Date of Decision: March 29, 1972

Acts Referred: Income Tax Act, 1961 - Section 10(1), Section 10(2)(Xv)
Wealth Tax Act, 1957 - Section 3

Citation: (1972) 86 ITR 1

Hon'ble Judges: Sikri, C.J., A.N. Grover, A.N. Ray, D.G. Palekar and M.H. Beg, JJ.

Bench: Full Bench

Advocate: J. Ramamurthy, R.N. Sachthey and B.D. Sharma, Advocates, for the Appellant; M.C. Chagla, Senior Advocate (Mrs. Anjali K. Verma and J.B. Dadachanji, Advocates with him), for the Respondent; A.K. Sen, Senior Advocate (T.A. Ramachandran and D.N. Gupta, Advocates with him), for the Intervener

Final Decision: Dismissed

Judgement

Sikri, C.J.—"M/s. Standard Vacuum Oil Co. Ltd., the assessee, claimed to deduct Rs. 7,63,670 payable as wealth-tax for the assessment year

1958-60, from its assessable income for that year. The Income-tax Officer disallowed the claim. The Appellate Assistant Commissioner upheld the

order of the Income-tax Officer. The Appellate Tribunal, however, came to the conclusion that the expenditure incurred was incidental to allowed

the claim of the assessee, observing that the wealth-tax payments should be allowed in the years when they are actually paid.

2. At the instance of the Commissioner of Income-tax, the following question was referred to the High Court :

Whether, on the facts and in the circumstances of the case, having regard to the provisions of the Wealth-tax Act of 1957, the allowance of

wealth-tax liability was correct ?

3. The High Court answered the question in favour of the assessee. This judgment of the High Court is dated November 14, 1964. The revenue

obtained certificate of fitness from the High Court and appealed to us.

4. Following our decision in Indian Aluminium Co. Ltd. v. Commissioner of Income-tax, Civil Appeals Nos. 1694 & 1730 of 1968

judgment dated march 19, 1973, since reported in (1973) 84 I.T.R. 734 (S.C.), judgment delivered just now, the appeal is dismissed. Parties

will bear their own costs throughout.