

(2002) 12 MAD CK 0198

Madras High Court

Case No: T.C. No. 363 of 1999

Commissioner of Income Tax

APPELLANT

Vs

Bush Boake Allen (India) Ltd.

RESPONDENT

Date of Decision: Dec. 18, 2002

Citation: (2003) 130 TAXMAN 401

Hon'ble Judges: N.V. Balasubramanian, J; K. Raviraja Pandian, J

Bench: Division Bench

Advocate: J. Nareshkumar, for the Appellant; P.P.S. Janarthana Raja, for the Respondent

Judgement

N.V. Balasubramanian, J.

In compliance with the directions of this Court in TCP No. 502 of 1996 dated 2-9-1997, the income tax Appellate Tribunal has stated a case and referred the following question of law for our consideration :--

Whether, on the facts and in the circumstances of the case, the income tax Appellate Tribunal was correct in law in holding that the limits prescribed under Rule 6D should not be applied to each tour of every individual employee but at all tours made by each employee during the relevant previous year?

The assessment year involved is 1984-85. It is stated by Mr. Nareshkumar, learned counsel for the Revenue that the issue raised in the question is covered in favour of the Revenue by the decision of this Court in Commissioner of Income Tax Vs. ASHOK LEYLAND LTD., wherein this Court held as under:--

The fourth question concerns the interpretation of rule 6D of the income tax Rules as it stood for the relevant assessment year. The Tribunal took the view that the computation required to be made therein was to be made in respect of the travels of the employee during the assessment year, and not in respect of each travel. The

Tribunal, in our view, was not correct in so holding, rule 6D of the Rules, as it then stood, refers to expenditure incurred by an assessee in connection with travelling by an employee within India. It provides that the amount that can be claimed as expenditure in respect of such travel was the aggregate of the amounts computed in the manner set out in rule 6D(2) of the Rules. The items to be taken note of therein are the expenditure actually incurred on the travel by rail, road, waterway or air and other expenditure including hotel expenses or allowances paid in connection with such travel calculated at the rates specified in that rule for the period spent outside such headquarters.

The intent of the rule clearly is that the computation required to be made under the rule is to be made separately for each travel undertaken by the employee and the amount that can be claimed as deduction for the year is the aggregate of the amounts so calculated separately for each travel undertaken by the employee.

A similar view has also been taken by the Andhra Pradesh High Court in the case of [Commissioner of Income Tax Vs. Coramandel Fertilisers Ltd.,](#)

2. Heard learned counsel for the assessee also. We are of the view that the issue raised in the question is covered against the assessee by the decision of this Court in Ashok Leyland Ltd.'s case (supra). Accordingly, following the said decision, the question of law is answered in favour of the Revenue and against the assessee. No costs.