

## COMMISSIONER OF INCOME TAX Vs EASTERN ASSAM TEA COMPANY LTD.

**Court:** Calcutta High Court

**Date of Decision:** Feb. 21, 1984

**Acts Referred:** Income Tax Act, 1961 &" Section 40(a)(v)

**Citation:** (1984) 41 CTR 361

**Hon'ble Judges:** Satish Chandra, C.J.; Suhas Chandra Sen, J

**Bench:** Full Bench

### Judgement

Suhas Chandra Sen, J. - The following two questions of law have been referred u/s 256(2) of the IT Act, 1961 to this Court :

1. Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that the rail insurance premium was an allowable

expenditure for the purpose of computing the assessed income derived from sale of tea grown and manufactured by it ?

2. Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that case allowances to the employees for servants

and conveyances did not fall within the ambit of section 40(a)(v) and in allowing the same as business

expenditure ?

2. So far as the question No. 1 is concerned, Mr. Naha appearing on behalf of the revenue has submitted that he does not want to press the

question. Therefore, we do not have to give any answer to that question and that question is returned unanswered.

3. So far as the question No. 2 is concerned, this point was gone into and decided by a Division Bench of this court in the case of CIT, Central

Calcutta v. Orient Paper Mills Ltd (1983) 139 763 (Cal). Following that decision, the question is answered in the affirmative and in favour of the

assessee.

4. In the facts and circumstances of the case, each party will pay and bear its own costs.

Satish Chandra, C.J. - I agree.