

## Commissioner of Income Tax Vs Needle Roller Bearing Co. Ltd.

**Court:** Bombay High Court

**Date of Decision:** March 8, 1992

**Acts Referred:** Income Tax Act, 1961 " Section 256(2), 32A

**Hon'ble Judges:** Sujata V. Manohar, J; B.P. Saraf, J

**Bench:** Division Bench

**Advocate:** Dr. Balasubramanian, for the Appellant; T. Poosan, for the Respondent

### Judgement

@JUDGMENTTAG-ORDER

Mrs. Sujata Manohar, J.

This is an application made by the Department under s. 256(2) of the IT Act, 1961. The application is for

directing the Tribunal to raise the following question and refer it to us for determination :

Whether on the facts and in the circumstances of the case, the Tribunal was right in law in holding that loose tools worth Rs. 2,39,633 purchased

by the assessee during the year constituted machinery and plant installed during the year and used for the purpose of business, to be entitled to

investment allowance under s. 32A of the IT Act ?

2. The tools in question are accessories of plant and machinery as set out in paragraph 3 of the application. In the case of Commissioner of Income

Tax Vs. Vulcan Laval Ltd., a Division Bench of this Court has taken the view that durable tools which had an average life not exceeding 3 years

also fall within the term "plant and machinery" for the purpose of investment allowance. The ratio of that decision applies directly to the present

case also. The Division Bench also held that the word "installed" did not necessarily mean embedded in the earth or the like. The tools, in question,

are being depreciated over a period of three years in the present case also. Hence the answer to the question is obvious and no useful purpose will

be served by directing the Tribunal to frame the question and refer it to us.

3. Rule is, therefore, discharged. No order as to costs.