

(1992) 03 BOM CK 0092

Bombay High Court

Case No: IT Application No. 576 of 1991

Commissioner of Income Tax

APPELLANT

Vs

Needle Roller Bearing Co. Ltd.

RESPONDENT

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.