(1989) 02 AP CK 0024

In the Andhra Pradesh High Court

Case No : Referred Case No. 129 of 1984

Commissioner of Income Tax APPELLANT

Vs

Harbin Singh RESPONDENT

Date of Decision : 01-02-1989

Acts Referred:
Income Tax Act, 1961 — Section 16

Citation : (1990) 185 ITR 573 : (1989) 44 TAXMAN 40

Hon'ble Judges : V. Neeladri Rao, J;B.P.Jeevan Reddy, J

Bench : Division Bench

Advocate : M.S.N. Murthy, for the Appellant; U. Ratnakar, for the Respondent

Judgement

B.P. Jeevan Reddy, J.—The only question referred in this case is as follows :

AAHE Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was justified in holding that the assessee was entitled to standard deduction u/s 16(i) of the Income Tax Act, 1961, in respect of the salaries received from each employer separately ?"

2. The question has to be answered in the negative, i.e., in favour of the Revenue and against the assessee in view of Explanation 1 introduced in section 16(i) of the Income Tax Act, 1961, with retrospective effect from April 1, 1975, by the Taxation Laws (Amendment) Act, 1984. The assessee in this case is employed by two companies and received salary from both the companies. He claimed standard deduction in respect of each salary separately. The question is whether he is entitled to standard deduction separately in respect of each salary or whether both the salaries received by him should be aggregated. This is precisely the situation provided for by Explanation 1 which reads thus :

AAII" Explanation 1. - For the removal of doubts, it is hereby declared that where, in the case of an assessee. Salary is due from, or paid or allowed by, more than one employer, the deduction under this clause shall be computed with reference to the aggregate salary due, paid or allowed to the assessee and shall in no case exceed the amount specified under this clause."

3. In view of the specific language of Explanation 1, it has to be held that the standard deduction should be computed with reference to the aggregate salary received by the assessee for each assessment year and that such deduction should in no case exceed the amount specified under clause (i) of section 16. Reference is answered accordingly. No costs.

