(1998) 12 P&H CK 0037

In the Punjab And Haryana At Chandigarh

Case No : IT Ref. No. 561 of 1995

Commissioner of Income Tax — APPELLANT

Vs

H.S. Sandhu — RESPONDENT

Date of Decision : 22-12-1998

Acts Referred:
Income Tax Act, 1961 — Section 10(14)

Citation : (1999) 156 CTR 533 : (1999) 237 ITR 167

Hon'ble Judges : V.S. Aggarwal, J;G.C. Garg, J

Bench : Division Bench

Advocate : R.P. Sawhney and Rajesh Bindal, for the Appellant; A.K. Mittal, for the Respondent

Judgement

By The Court

1. The Tribunal, Chandigarh Bench, has referred the following two questions of law, which arose out of its order dt. 18th August, 1992, for the asst. yr. 1989-90 for the opinion of this Court :

"1. Whether, on the facts and in the circumstances of the case, the Tribunal is right in law in allowing deduction at 40 per cent. of incentive bonus, when the assessee had not actually incurred expenses to the extent of 40 per cent. wholly, necessarily, exclusively as provided under s. 10(14) of the IT Act, 1961 ?

2. Whether, on the facts and in the circumstances of the case, the Tribunal is right in law in allowing deduction of additional conveyance allowance under s. 10(14) when the assessee had not actually incurred the amount wholly, necessarily, exclusively for his development duties ?"

2. Question No. 1 is concluded by the judgment of this Court in IT Ref. Nos. 105 and 106 of 1986, decided on 27th October, 1998, in the case of B. M. Parmar, Development Officer, LIC vs. CIT, wherein the question has been answered in favour of the Revenue and against the assessee. In that view of the matter, this question is answered in the negative, i.e., in favour of the Revenue and against

the assessee.

3. So far as question No. 2 is concerned, the Tribunal has not given any independent finding on this question, but has decided the same by adopting the same reasoning which related to question No. 1, referred to above. We find that the ITO had granted the additional conveyance allowance under s. 10(14) of the IT Act to the tune of Rs. 30,000 as against Rs. 51,305 claimed by the assessee. A sum of Rs. 30,000 was allowed on the basis of the certificate issued by the Branch Manager, LIC, Madhopur. The same was the view taken by the CIT(A).

4. On a consideration of the matter, we are of the view that the ITO as also the CIT(A) correctly interpreted s. 10(14) of the Act and had allowed Rs. 30,000 on account of additional conveyance allowance. Thus this question is also answered in the negative, i.e., in favour of the Revenue and against the assessee.

5. Reference is answered accordingly. No costs.

