(1987) 08 DEL CK 0033

In the Delhi High Court

Case No : Income-tax Case No. 3 of 1984

Commissioner of Income Tax APPELLANT

Vs

Jay Engineering Works Ltd. RESPONDENT

Date of Decision : 25-08-1987

Acts Referred:

Citation : (1987) 66 CTR 265 : (1988) 174 ITR 133

Hon'ble Judges : S. Ranganathan, J;H.C. Goel, J

Bench : Division Bench

Judgement

S. Ranganathan, J.—There are three questions which are sought to be referred to this court. Question No. 3 is clearly a question of fact. The Tribunal has come to the conclusion that the expenditure was incurred in connection with the existing business of the assessed regarding electric fans and sewing machines. We are unable to see any question of law arising there from.

2. We think, however, that the first two questions mentioned in the application are questions of law. We, Therefore, direct the Tribunal to state a case and refer the following questions for the decision of this court :-

1. Whether, on the facts and in the circumstances of the case, the Tribunal was correct in holding that the amount of Rs. 25,000 paid to M/s. Industrial Development Services Pvt. Ltd. is a revenue expenditure deductible in the computation of the assessed''s total income for the assessment year 1975-76 ?

2. Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that cash reimbursement of expenses by the assessed could not be treated as perquisite for purpose of disallowance u/s 40A(5) ?

3. The Tribunal is directed to state a case and refer the above two questions for the decision of this court. This application is disposed of. No order as to costs.

