(2012) 11 JH CK 0087

In the Jharkhand High Court

Case No : Tax Appeal No''s. 17 and 18 of 2001

Commissioner of Income Tax, Ranchi — APPELLANT

Vs

Central Coalfields Ltd. — RESPONDENT

Date of Decision : 01-11-2012

Acts Referred:
Income Tax Act, 1961 — Section 37(4)

Citation : (2012) 11 JH CK 0087

Hon'ble Judges : Prakash Tatia, J;Jaya Roy, J

Bench : Division Bench

Advocate : D. Roshan, S.C. IT and R. Kumari, for the Appellant; B. Poddar, Snr. Advocate, M. Choudhary, D. Poddar, P. Poddar and A. Sinha, for the Respondent

Final Decision : Dismissed

Judgement

1. For deciding the following questions of law, these appeals were admitted :-

(1) Whether on the facts and in the circumstances of the case, the I.T.A.T. was justified in law in treating part of Guest House expenditure as Revenue expenditure u/s 37(4) of the Income Tax Act, 1961 for the Assessment Year 1993-94 and 1994-95?

(2) Whether on the facts and in the circumstances of the case, the Tribunal was justified in giving relief of Rs. 1,27,42,000/- and Rs. 1,40,12,000/- to the assessee in respect of claim of Guest House expenses for the Assessment year 1993-94 and 1994-95?

(3) Whether, on the facts and circumstances of the case, the Tribunal was justified deleting disallowances in respect to expenditure incurred on community development amounting to Rs. 85,17,000/- and Rs. 86,30,000/- for the Assessment Year 1993-94/1994-95 and disallowance under the head sports, recreation and Game expenses for the Assessment Year 1993-94/1994-95 amounting to Rs. 23,82,000/- and Rs. 25,02,000/- by holding that these expenses were Revenue expenses?

Learned counsel for the parties submit that question nos. 1 and 2 stand answered in Tax Appeal No. 14/1999R (Commissioner of Income Tax Vs. M/s. Central Coalfields Ltd.) dated 13th June, 2012.

2. In view of the above, question nos. 1 and 2 are answered in the light of the decision given in Tax Appeal No. 14/1999R dated 13th June, 2012.

3. So far as question No. 3 is concerned, it is with respect to deletion of disallowances in respect of expenditure incurred on community development for the assessment year 1993-94/1994-95 under the head of expenditure for sports, recreation and Game expenses. In view of the reasons given in two judgments of the Delhi High Court in the cases of Commissioner of Income Tax, Delhi Vs. Delhi Cloth and General Mills Co. Ltd., Delhi, and Delhi Cloth and General Mills Co. Ltd. Vs. Commissioner of Income Tax, , we are of the considered opinion that the issue has already been answered by the Delhi High Court in favour of the assessee and we are in full agreement with reasons given by Delhi High Court in the above two judgments. The question No. 3 is answered in favour of the assessee. Thus, these appeals are dismissed.