
(1984) 02 KAR CK 0009

In the Karnataka High Court

Case No : Civil Revision Petitions No's. 839, 840, 841 and 842, of 1982

D.G. Graig Jones

APPELLANT

Vs

State of Karnataka

RESPONDENT

Date of Decision : 07-02-1984

Acts Referred:

Karnataka Agrilicatural Income Tax Rules, 1957 — Rule 9 (c)

Citation : (1984) 43 CTR 250 : (1984) 148 ITR 297

Hon'ble Judges : S.R. Rajashekhara Murthy, J; Mohammad Sharif, J

Bench : Division Bench

Advocate : K.R. Prasad and K. Ramanjulu, for the Appellant; K. Bhoopathy, Govt. Pleader, for the Respondent

Judgement

1. These four revision petitions arise out of the common order of the Karnataka Appellate Tribunal, Bangalore, dated August 7, 1981, made in AIT. Nos. 83 to 86 of 1980.

2. The petitioner is an owner of coffee estates and is an assessee under the Karnataka Agricultural Income Tax Act, 1957 (the "Act"). In the returns filed by the assessee for the assessment years 1964-65 to 1967-68, the assessee estimated the value of the coffee points at different rates in her returns. The assessments for these years were completed on the basis of the final dividend as declared by the Coffee Board which was slightly more than the value estimated by the assessee for each of the years.

3. The assessee throughout contended that her estimate should be accepted for the respective years and not the final value as declared by the Coffee Board subsequently. But that contention was not accepted by any of the authorities below solely on the ground, that by the time the assessments were done, the Coffee Board had declared the final dividends.

4. The point that arises for consideration in these revision petitions is whether the final dividend declared by the Coffee Board should be the basis for computing

the income or the value as estimated by the assessee in the return as per the mercantile system of accounting followed by the assessee. ?

5. Before we examine this contention, it may be relevant to state that if the Coffee Board had not declared the final dividends before the assessments were concluded, the assessing officer was bound to accept reasonable estimates made by the assessee and conclude the assessments since that method was through out accepted by the Department. should this principle be given a go-by merely because the Coffee Board had declared the dividends by the time the assessment was concluded. ? We decided on not think that it should make any difference in the absence of any finding record by the assessing officer that the method of accounting adopted by the assessee cannot be accepted for any reason or in the absence of a finding that the valuation made is considered to be at too low a rate.

6. Our view finds full support from the provisions of s. 7 read with cl.(c) of r.9 of the Karnataka Agrl. I.T. Rules, 1957, and also by the decision of this court in B.V. Veerathradhya Vs. Commissioner of Agricultural Income Tax, Bangalore,

7. In the result, we allow these petitions and set aside the orders of all the authorities below and direct the assessing officer to redo the assessments on the basis of the value estimated by the assessee for each of the years concerned. The assessee is entitled to her costs. Advocates' fee Rs. 150 in one set.