(1992) 08 MAD CK 0031

In the Madras High Court

Case No : Tax Case (Revision) No. 1389 of 1984 (Revision No. 289 of 1984)

Kanthimathy Plantations Ltd. APPELLANT

Vs

State of Tamil Nadu RESPONDENT

Date of Decision : 18-08-1992

Acts Referred:

Citation : (1994) 207 ITR 846

Hon'ble Judges : Raju, J;Abdul Hadi, J

Bench : Division Bench

Advocate : K. Mani, for the Appellant; Mrs. S. Chitra Venkataraman, for the Respondent

Judgement

Raju, J.—The assessee is the petitioner in the above tax revision under the provisions of the Tamil Nadu Agricultural Income Tax Act, 1955.

The Tribunal partly allowed the claims made before it by the assessee and not satisfied with the extent of relief granted by the Tribunal, the present

revision has been filed.

2. In the revision before us, the petitioner has challenged the disallowance of the deduction claimed on the following categories of income and

expenditure :

(a) Car maintenance expenses to the tune of Rs. 10,056.89

(b) Rubber replanting subsidy to the tune of Rs. 59,928

(c) Maintenance of Bharat Medical Center to the tune of Rs. 9,474.

3. So far as the deduction claimed on account of car maintenance is concerned, the Tribunal itself found that already the authorities below allowed

75 per cent. of the expenses and that the disallowance of the balance of 25 per cent. is reasonable.

4. We have gone through the orders of the authorities below and we find that, in the absence of production of sufficient material for justifying total

claim for deduction by producing the log book and other records to ascertain the nature of use of the vehicle as such for agricultural purposes or

for purposes connected with the lands of the estate, we see no infirmity in the reasoning of the authorities below or the Tribunal. Even before us, no

material has been pointed out to come to a conclusion that the entire expenses could be said to have been incurred for the maintenance of the car

for its use connected with agriculture or activities connected with the land. Consequently, we are unable to accept the plea in this regard for further

deduction.

5. So far as the deduction claimed for the expenditure incurred in respect of Bharat Medical Center run for catering to the workers of the company

is concerned, the Tribunal has chosen to reject the claim of the ground that no evidence was placed before the Tribunal to show the terms under

which the medical centre was constituted and as to whether it was exclusively or mainly for the workers of the company. In respect of the very

same assessee for different assessment years, the very claim in respect of the maintenance of Bharat Medical Center was considered by a Division

Bench of this Court in T. C. Nos. 1064 and 1155 to 1157 of 1982 (Kanthimathi Plantations Ltd. v. State of Tamil Nadu, dated July 28, 1992),

wherein the Division Bench, to which one of us (Raju J.) was a party, has taken the view that merely because the medical centre also caters to the

need so others and not exclusively to agricultural workers of the estate, the claim cannot be rejected totally, unless it is proved that the agricultural

workers belonging to the estate are not availing of the facilities in the medical centre. On that view, 50 per cent. of the amount claimed as deduction

was allowed and we are of the view that the same principle may be applied for the assessment year under consideration in the present case also.

6. In the light of the above, the total rejection of the claim cannot be justified and 50 per cent. of the amount claimed as deduction for the

maintenance of the Bharat Medical Centre shall stand allowed as deduction and the rest of the claim under this heading shall stand rejected.

7. So far as the claim relating to deduction pertaining to rubber replanting subsidy received from the Rubber Board under the Replanting Subsidy

Scheme is concerned, a Division bench of this court in Velimalai Rubber Co. Ltd Vs. Agricultural Income Tax Officer, has already held that the

subsidy received from the Rubber Board under the Development Replanting Subsidy Scheme could not be considered as revenue receipt and,

consequently, could not be subjected to tax. This decision has also been followed by us in subsequent cases.

8. In the light of the above, the claim under this head to the tune of Rs. 59,928 will stand allowed in the light of the ratio of the Division Bench

judgment mentioned supra.

9. For all the reasons stated above, the tax revision shall stand allowed in respect of the claim for deduction under the head of Rubber Replanting

Subsidy to the tune of Rs. 59,928 and maintenance of the Bharat Medical Centre to the tune of Rs. 4,737 being 50 per cent. of the deduction

claimed. In other respect, the tax revision shall stand dismissed. No costs.