

## **Commissioner Of Income-Tax, Delhi vs Pearey Lal And Sons P. Ltd. on 9 January, 1986**

**Equivalent citations: [1986]162ITR838(SC), AIRONLINE 1986 SC 118**

**Author: R.S. Pathak**

**Bench: R.S. Pathak, Sabyasachi Mukharji**

ORDER

R.S. Pathak, J.

1. This appeal by special leave is directed against the judgment of the Delhi High Court declining to call for a reference from the Income-tax Appellate Tribunal.
2. In the assessment proceedings for the assessment year 1972-73, the respondent claimed a deduction in the computation of its income from business on account of provision for gratuity in the sum of Rs. 1,06,906. The Income-tax Officer disallowed the deduction and his order was affirmed by the Appellate Assistant Commissioner. The Income-tax Appellate Tribunal however, on second appeal filed by the respondent, found in favour of the respondent and held that the item was admissible as a deduction. A reference application was preferred by the Commissioner of Income-tax to the Income-tax Appellate Tribunal but the Appellate Tribunal declined to call for a reference. The High Court likewise rejected the reference application moved by the Commissioner of Income-tax. Learned Counsel for the Commissioner of Income-tax contends that the Appellate Tribunal erred in permitting the deduction of the claim made by the respondent. We have examined the matter carefully and we are of the opinion that there is no substance in the contention. The point covered by the judgment of this Court recently delivered in *Shree Sajjan Mills Ltd. v. CIT* .
3. The appeal is dismissed with no order as to costs.