

Supreme Court of India

Commissioner Of Income-Tax, ... vs Standard Vacuum Oil Co. on 29 March, 1972

Equivalent citations: 1972 86 ITR 1 SC

Author: Sikri

Bench: Sikri, A Ray, D Palekar, M Beg, A Grover

JUDGMENT Sikri, C.J.

1. M/s. Standard Vacuum Oil Co. Ltd., the assessee, claimed to deduct Rs. 5,63,670 payable as wealth-tax for the assessment year 1959-60, from its assessable income for that year. The Income-tax Officer; disallowed the claim. The Appellate Assistant Commissioner upheld the order of the Income-tax Officer. The Appellate Tribunal, however, came to the conclusion that the expenditure incurred was incidental to business and allowed the claim of the assessee, observing that the wealth-tax payments should be allowed in the years when they are actually paid.
2. At the instance of the Commissioner of Income-tax, the following question was referred to the High Court: Whether, on the facts and in the circumstances of the case, having regard to the provisions of the Wealth-tax Act of 1957, the allowance of wealth-tax liability was correct ?
3. The High Court answered the question in favour of the assessee. This judgment of the High Court is dated November 24, 1964. The revenue; obtained certificate of fitness from the High Court and appealed to us.
4. Following our decision in Indian Aluminium Co. Ltd. v. Commissioner of Income-tax Civil Appeals Nos. 1694 & 1730 of 1968-judgment dated March 29, 1972/-. Since (S.C.)., judgment delivered just now, the appeal is dismissed, Parties will bear their own costs throughout.