Supreme Court of India
Commissioner Of Agricultural ... vs Calvary Mount Estates (Private) ... on 15 December, 1960
Equivalent citations: AIR 1961 SC 1099, 1961 41 ITR 755 SC, 1961 3 SCR 285
Author: Kapur
Bench: J Shah, M Hidayatullah
JUDGMENT Kapur, J.

1. This is an appeal by special leave against the judgment and order of the High Court of Kerala in Tax Revision No. 12 of 1957.

2. The respondent who is the assessee owned an estate of 590 acres in South Malabar district, now in Kerala State. Out of that area 85 acres were covered by pepper, arecanut, paddy and coconut cultivation while the rest, i.e., 505 acres, had rubber plantations upon it. Of that area 235 acres were occupied by immature non-bearing rubber trees and 270 acres had mature rubber trees. The assessment relates to the year 1955-56, the accounting year being the year ending March 31, 1955. The respondent claimed from out of the income expenses relating to the maintenance and upkeep of immature non-bearing rubber trees. The Agricultural Income-tax Tribunal held that the expenses incurred on the whole area under rubber plantations were deductible expenses and remanded the case for ascertaining the expenses incurred in forking and manuring of the "non-bearing and immature" rubber grown areas also. The appellant then preferred a revision application to the High Court under section 54(1) of the Madras Plantations Agricultural Income Tax Act, 1955 (Mad. V of 1955). The High Court held that the amount spent on the upkeep and maintenance of immature rubber trees was a deductible expenditure under s. 5(e) of that Act which provides:

"Computation of agricultural income. - The agricultural income of a person shall be computed after making the following deductions, namely : ....

(e) any expenditure incurred in the previous year (not being in the nature of capital expenditure or personal expenses of the assessee) laid out or expended wholly and exclusively for the purpose of the plantation."

3. The provisions of section 5 (e) of the Madras Act, applicable to the present case, are the same as those of section 5 (j) of the Travancore Cochin Agricultural Income-tax Act (XXII of 1950). The only difference is in the last few words. In place of "fir the purpose of the plantation" in the former, the words "for the purpose of deriving the agricultural income" are used in the latter. If anything, the words of the former Act are more favourable to the respondent.

4. In Civil Appeals Nos. 290-292 of 1959, which was an assessment under the Travancore-Cochin Act, we have decided the question of deductibility of sums expended for purposes of forking, manuring, etc., of immature rubber trees. That judgment will govern this case also. This appeal, therefore, fails and is dismissed with costs in this court and the high Court.

5. Appeal dismissed.