

Vs. Infar (India) Ltd.

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Court : Kolkata

Decided On : Aug-27-2013

Judge : Indira Banerjee

Respondent : infar (India) Ltd.

Judgement :

ORDER

SHEET I.T.A.No.141 of 1999 IN THE HIGH COURT AT CALCUTTA Special Jurisdiction [Income Tax].ORIGINAL SIDE COMMISSIONER OF INCOME TAX, WEST BENGAL -IV Versus INFAR (INDIA) LTD.Appellant Respondent BEFORE: The Hon'ble JUSTICE INDIRA BANERJEE -AndThe Hon'ble JUSTICE ANINDITA ROY SARASWATI Date :

27. h August, 2013.

For Appellant : Md.Nizamuddin, Adv.For Respondent : Mr.Siddhartha Das, Adv.The respondent is a pharmaceutical company engaged in manufacture of drugs and other pharmaceutical products.

The disputes in the instant case relate to disallowance of travelling expenses of Rs.3,20,000/- under Rule 6D of the Income Tax Rules, 1962.

Admittedly, the assessee did not file the details of expenses to attract Rule 6D of the Income Tax Rules.

The assessee showed an amount of Rs.70,000/- as disallowable.

However, the Assessing Officer disallowed Rs.3,20,000/-.

The assessee appealed.

In appeal the Commissioner of Income Tax (Appeals) upheld the disallowance of Rs.3,20,000/-.

Against the order of the Commissioner of Income Tax (Appeals).the assessee filed an appeal before the learned Tribunal.

Before the learned Tribunal, it was argued that in earlier years 4 per cent of the inland local travel expenses have been disallowed.

Thus, the same procedure should have been followed in this year as well.

The learned Tribunal found that the assertion of the assessee had not been established by any evidence.

The assessee had itself declared disallowable amount at Rs.70,000/- and that amount was not 4 per cent of the inland local travel expenses.

The learned Tribunal found that there was no material on record to properly evaluate the amount of disallowance to be made taking into consideration the fact that the assessee did not file the details of expenses for application of Rule 6D.

The learned Tribunal observed that the assessee probably wanted to show a lower amount of disallowance.

However, without any reasons notwithstanding the absence of details, the learned Tribunal restricted the amount of disallowance to Rs.1,50,000/-.

The learned Tribunal has apparently proceeded on conjecture and surmises and the order is not based on any materials on record.

The appeal was admitted on the question of whether the learned Tribunal was justified in law in reducing the disallowance from Rs.3,20,000/- to Rs.1,50,000/- on

account of expenditure on travelling under Rule 6D of the Income Tax Rules, 1962.

In fact, nothing was filed by the assessee showing details of such travelling expenditure under the said Rule.

The aforesaid question is answered in the negative in favour of the Revenue and against the assessee.

The appeal is disposed of.

Urgent certified copy of this order, if applied for, be supplied to the parties subject to compliance with all requisite formalities.

(INDIRA BANERJEE, J.) (ANINDITA ROY SARASWATI, J.) K.

Banerjee A.R.[C.R.].

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