

Cit, Agra Vs. S. Upjeet Singh Kumar, Development Officer, Lic of India

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Court : Allahabad

Decided On : Mar-24-2005

Reported in : [2006]154TAXMAN68(All)

Appeal No. : IT Reference No. 73 of 1994 24 March 2005

Appellant : Cit, Agra

Respondent : S. Upjeet Singh Kumar, Development Officer, Lic of India

Advocate for Pet/Ap. : Sharnbhoo Chopra, *for the Assessee.*

Judgement :

ORDER

The Income Tax Appellate Tribunal, Delhi, has referred the following question of law under section 256(1) of the Income Tax Act, 1961, (hereinafter referred to as 'the Act') for opinion to this Court :

'Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was correct in law in holding that the assessee was entitled to deduction @ 50 per cent on the incentive bonus received from his employer the LIC ?'

2. The present Reference relates to the assessment year 1987-88.

3. Briefly stated the facts giving rise to the present Reference are as follows :

'The respondent-assessee is a Development Officer in Life Insurance Corporation of India, Agra. He has received incentive bonus. The Tribunal has held that the amount of incentive bonus is assessable from business and not from the income of the salary.'

4. We have heard Sri Shambhoo Chopra, learned standing counsel for the revenue. Nobody has appeared on behalf of the respondent-assessee.

5. This court in IT Reference No. 89 of 1993, Income Tax Officer v. R.S. Nanda decided on 14-3-2005 and in IT Reference No. 156 of 1993, CIT v. K.N. Bajpai decided on 18-3-2005 has held that incentive bonus forms part of the salary and no other deduction apart from standard deduction is available.

6. Respectfully following the aforesaid decisions we answer the question referred to us in the negative, i.e., in favour of the revenue and against the assessee. However, there shall be no order as to costs.

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