SooperKanoon - India's Premier Online Legal Search - sooperkanoon.com

Anandi Devi Vs. Commissioner of Income-tax

Anandi Devi Vs. Commissioner of Income-tax

SooperKanoon Citation : sooperkanoon.com/755600

Court : Rajasthan

Decided On : Aug-21-1987

Reported in : [1988]169ITR130(Raj)

Judge : J.S. Verma, C.J. and; Milap Chandra, J.

Acts : Income Tax Act, 1961 - Sections 64(1)

Appeal No. : D.B. Income-tax Reference No. 23 of 1981

Appellant : Anandi Devi

Respondent : Commissioner of Income-tax

Advocate for Def. : Not represented

Advocate for Pet/Ap. : B.R. Arora, Adv.

Judgement :

1. This reference under Section 256(1) of the Income-tax Act, 1961, at the instance of the assessee, is to answer the following question of law :

'Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that the minors received interest on their capital accounts and, therefore, the interest income was includible in the total income of the assessee within the meaning of Section 64(1)(iii) of the Income-tax Act, 1961 ?'

2. Relevant assessment years are 1976-77 to 1978-79. The assessee claimed exclusion of the interest income received by the minors, Rajkumar and Mangilal, admitted to the benefits of partnership in the computation of the total income. It was contended by the assessee that the minors were not under any obligation to contribute to the capital of the partnership and, therefore, the interest income was their deposit. The Income-tax Officer rejected the contention. Ultimately, the Tribunal also has rejected the assessee's contention. It has been held that the interest income in question received by the minors during these years from the partnership was rightly included while computing the total income of the assessee in accordance with Section 64(1)(iii) of the Income-tax Act, 1961. Hence, this reference at the instance of the assessee.

3. No one has appeared on behalf of the assessee before us. We do not find any infirmity in the conclusion reached by the Tribunal or the reasoning on which that conclusion is based. The provision contained in Section 64(1)(iii) of the Act is quite clear and it supports the view taken by the Tribunal. Consequently, the reference is answered against the assessee and in favour of the Revenue by holding that the view taken by the Tribunal is justified. There will be no order as to costs.

SooperKanoon - India's Premier Online Legal Search - sooperkanoon.com