Premier Vegetable Products Vs. Cit

Premier Vegetable Products Vs. Cit

SooperKanoon Citation : sooperkanoon.com/772513

Court : Rajasthan

Decided On : Jul-12-2002

Reported in : [2002]124TAXMAN740(Raj)

Appeal No. : D.B. IT Reference Application No. 46 of 1987 12 July 2002

Appellant : Premier Vegetable Products

Respondent : Cit

Advocate for Pet/Ap. : Anuroop Singhi, *for the Revenue*

Judgement :
ORDER

On an application filed under section 256(1) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act'), the Tribunal has referred the following questions for our opinion:

'1. Whether, on the facts and in the circumstances of the case, the Tribunal was right in law in holding that one-fifth of the motor car expenses amounting to Rs. 5,523 were not incurred for the purposes of the business of the company ?

2. Whether, on the facts, and in the circumstances of the case, the Tribunal was right in law in holding that telephone expenses amounting to Rs. 6,000 were not incurred for the purposes of the business of the company ?

3. Whether, on the facts and in the circumstances of the case, the Tribunal was right in law in holding that the disallowance to the tune of Rs. 15,000 on account of excessive wastage of tin plates in the manufacturing of tin containers was correct ?'

2. The relevant assessment year is 1975-76. The assessee declared a loss of Rs. 41,11,260 on 1-9-1975. During the course of assessment, the assessing officer noticed that motor-cars were not used wholly and excessively for the purpose of business, therefore, he disallowed Rs. 10,074. By the Tribunal that disallowance has been reduced to Rs. 5,523.

3. The next issue relates to disallowance of Rs. 6,000. The assessee claimed total expenses on telephone to the tune of Rs. 1,21,601. Finally that disallowance has been reduced to Rs. 6,000 by the Tribunal.

4. The third issue relates to disallowance of Rs. 15,000 on account of excessive wastage of tin plates in the manufacturing of tin containers. The assessing officer worked out the wastage at the rate of 8.6 per cent and disallowed Rs. 44,536. By the Tribunal that disallowance has been reduced to Rs. 15,000.

5. None appeared for the assessee. Heard Mr. Singhi, the learned counsel for the revenue.

Whether the additions referred above are on account of expenses for the purpose of business or not, that is basically a question of fact and on perusal of the order of the authorities below in our view the finding of fact is not perverse, therefore, no interference is called for.

6. In the result, we answer all the three questions in the affirmative, i.e., in favour of the revenue and against the assessee.

Reference so made stands disposed of accordingly.