

SUPREME COURT OF INDIA

Commissioner of Income-tax, Madhya Pradesh, Nagpur and Bhandara

Vs.

Respondent: Kalyanmal Mills Limited

(J. C. Shah, K. H Subba Rao and S. M. Sikri JJ.)

17.04.1964

JUDGMENT

SIKRI, J.

1. The point involved in this appeal is the same as in Commissioner of Income-tax v. Swadeshi Cotton and Flour Mills, in which we have just delivered judgment. This appeal was filed in this court after obtaining a certificate under section 66A(2) of the Income-tax Act, 1922, and is directed against the judgment and order of the High Court of Madhya Pradesh, dated August 10, 1961. The High Court followed its decision in the case of Swadeshi Cotton and Flour Mills v. Commissioner of Income-tax.

2. The question which was referred to the High Court was as follows :

"Whether, on the facts and in the circumstances of the case, Rs. 2,57,000 being bonus for the calendar year 1947 is allowable against the profits of calendar year 1949, the previous year for assessment year 1950-51 ?"

3. This question arose out of the assessment year 1950-51 (previous calendar year 1949).

4. The assessee is limited company which owns a textile mill. It had paid Rs. 2,57,000 as bonus to its workers in respect of the calendar year 1947, and claimed its a deduction in respect of the assessment year 1950-51. A dispute had arisen between the workmen and the assessee and it was settled by an award made in January, 1949, by the tribunal under the Industrial Disputes Act.

5. Following our decision and the reasoning in Commissioner of Income-tax v. Swadeshi Cotton and Flour Mills, we hold that the High Court was right in answering the question in the affirmative. The appeal is accordingly dismissed with costs.

6. Appeal dismissed.