

SUPREME COURT OF INDIA

Commissioner of Income-Tax

Vs.

T.V. Sundaram Iyengar And Sons P. Ltd.

(K J Shetty and K Singh JJ.)

29.08.1990

JUDGMENT

K. JAGANNATHA SHETTY, J.

1. The only question raised in this case is whether the amount advanced by the assessee-employer for construction of houses under "Subsidised Industrial Scheme" for its employees would be in the nature of a revenue expenditure or capital expenditure. The Tribunal has reached the conclusion, on the facts and circumstances of the case, that it was revenue expenditure.
2. We have perused the order of the Tribunal. The land has been purchased in the name of the Government and the assessee is not the owner thereof. The assessee is only contributing a portion of the construction costs. It is a subsidised welfare scheme. The fact that the scheme is not for any temporary or particular duration makes, in our opinion, little difference to the nature of the expenditure. The Tribunal, in our opinion, is justified in holding that the amount spent is only revenue expenditure. The appeal is, therefore, dismissed but no costs.

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