



HIGH COURT OF DELHI

ITR Nos. 227 & 228 of 1981

Date of Decision : January 8, 2001

The Commissioner of Income Tax, , New Delhi.....Petitioner
through : Shri Sanniv Khanna
 with Shri Ajay Jha,
 Advocates.

- versus -

M/s. R.J. Wood & Co. (P) Ltd., State Bank Building, Chandni Chowk, Delhi - 110 006...
through : Nemo

Coram

THE HON'BLE Mr. JUSTICE ARIJIT PASAYAT, CHIEF JUSTICE.
THE HON'BLE Mr. JUSTICE D.K. JAIN.

1. Whether reporters of local papers may be allowed to see the judgment?
2. To be referred to the Reporter or not?

ARIJIT PASAYAT, C.J. (Oral)

At the instance of revenue, following questions have been referred for opinion of this Court by the Income-tax Appellate Tribunal, Delhi Bench 'B', Delhi (in short, the 'Tribunal') under Section 256(1) of the Income Tax Act, 1961 (in short, the 'Act') :-

"1. Whether the Tribunal was correct in holding that petty expenses were not in the nature of entertainment and, therefore, could not be disallowed under Section 37(2B) of the Act?"

"2. Whether the Tribunal was correct in holding that the expenses incurred on foreign visitors, customers, etc. visiting the assessee's premises for the purpose of business could not be disallowed as entertainment expenses under Section 37(2B)?"



2. We have heard learned counsel for the revenue. There is no appearance on behalf of the assessee in spite of notice.

3. A similar question came up for consideration of the Apex Court in the case of *Commissioner of Income Tax v. Patel Brothers And Co. Ltd. and Others (1995) 215 ITR 165*. Following the ratio in the said case, we answer both the questions in the affirmative, in favour of the assessee and against the revenue.

4. This reference is accordingly disposed of.


CHIEF JUSTICE


D.K. JAIN, J.

January 8, 2001
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