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Present: Mr. Kamal Sawhney, Sr. Standing Counsel for the Appellant/Revenue.  
Ms. Surekha Raman, Advocate for Respondent/Assessee.

**+ITA No.1406/2010**

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The issue raised in this appeal pertains to the expenditure incurred by the Assessee on account of premium paid under the scheme whereby every purchaser was insured to the extent of ₹4,000/- for each bag of urea manufactured by the assessee and sold by its distributors. The Assessing Officer disallowed the claim only on the ground that the subsidized scheme of the Central Government was sufficient to protect the interest of the assessee and there was no need to get the insurance of the aforesaid nature. The CIT(A) upset the order of the Assessing Officer holding that it was a business expenditure. ITAT affirmed the order of CIT(A).

After going through the order passed by CIT(A) as well as ITAT, we are of the opinion that the view expressed by ITAT, based on the judgment of this Court in **CIT v Dalmia Cement Ltd. 254 ITR 377** and that of the Supreme Court in the case of **S.A. Builders Ltd. v CIT(A)** 288 ITR Page 1, cannot be faulted with. It is rightly held that the decision of the assessee to cover the purchasers under the aforesaid insurance scheme was entirely that of the assessee and it was not open to the Assessing Officer to sit over the same or decide as to whether it was business expediency on the part of the assessee to pay premium under the said insurance scheme or not. We may note that the decision of this Court in **Dalmia Cement** (supra) was specifically affirmed by the Supreme Court in **S.A. Builders Ltd.**(supra).

No question of law, therefore, arose. This appeal is hereby dismissed.



A.K. SIKRI, J.

INDERMEET KAUR, J.

SEPTEMBER 01, 2011

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