IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO. 7 OF 1998

The Commissioner of Income-Tax
Central-II, Bombay .. Applicant

v/s.

M/s. Bajaj Auto Ltd. .. Respondent

Mr. Suresh Kumar for the applicant
Ms. Vasanti Patel for the respondent

CORAM : M.S. SANKLECHA &
B.P. COLABAWALLA, J.J.

DATED : 4th MARCH, 2016.

P.C.

1. This Reference under Section 256(1) of the Income Tax Act, 1961 has referred the following question of law for our opinion :-

> *"Whether on the facts and in the circumstances of the case and on a proper interpretation of Rule 6D of the Income-Tax Rule, 1961, the Appellate Tribunal was justified in holding that the local conveyance allowance for a person on tour and other incidental expenditure such as telephone bills, curatorial assistance etc. should be excluded in working out the dis-allowance under the Rule."*

2. It is an agreed position between the parties that the question as raised in the present Reference stands concluded against the Revenue and in favour of the respondent assessee by the decision of this Court in ***Commissioner of Income-Tax Vs. ACME Manufacturing Co. Ltd. 460 ITR 249.*** In the above case, this Court has while dealing with an identical issue held that expenses on local conveyance, telephone expenses etc. incurred by employee of the assessee company are to be excluded for the purposes of computing dis-allowance under Rule 6D of the Act.

3. Accordingly, the question as framed for our opinion is answered in the affirmative i.e. in favour of the respondent assessee and against the Revenue.

4. The Income Tax Reference is disposed of accordingly. No order as to costs.

(B.P. COLABAWALLA, J.) **(M.S. SANKLECHA, J.)**