

SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (Civil) No(s).7000/2005

(From the judgment and order dated 28/09/2004 in TC No. 760/2004
of The HIGH COURT OF MADRAS)

COMMISSIONER OF INCOME TAX-1 CHENNAI

Petitioner(s)

VERSUS

M/S MADRAS REFINERIES LTD.

Respondent(s)

(With appln(s) for c/delay in filing SLP,c/delay in filing counter affidavit and with
prayer for interim relief and office report)

WITH

SLP(C) NO. 17813 of 2006 - With office report

Date: 08/09/2008 These Petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE S.H. KAPADIA
HON'BLE MR. JUSTICE B. SUDERSHAN REDDY

For Petitioner(s) Mr. R. Radhakrishnan, ASG.
Ms. Asha G. Nair, Adv.
Mr. B.V. Balaram Das,Adv.

For Respondent(s) Ms. Radha Rangaswamy,Adv.

UPON hearing counsel the Court made the following
ORDER

(S. Thapar)
P.S. to Registrar

(Madhu Saxena)
Court Master

The signed order is placed on the file.

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO..... OF 2008
(Arising out of SLP(C) No. 7000 of 2005)

COMMISSIONER OF INCOME TAX-1, CHENNAI
APPELLANT (S)

...

VERSUS

M/S MADRAS REFINERIES LIMITED
RESPONDENT(S)

...

WITH

ORDER

Leave granted.

Whether on the facts and circumstances of the case the assesseees were entitled to claim deduction under Section 37 of the Income Tax Act, 1961, is the question which arose for determination before the Tribunal?

In these cases it argued on behalf of assesseees that the aid given to the residents living in the vicinity of the factory of the assesseees is a business expenditure under Section 37 of the Income Tax Act. However, we do not find any finding on this aspect in the impugned judgment of the Tribunal as well as in the judgment of the High Court.

For the afore-stated reasons, we set aside the impugned judgment of the High Court and remit the matter to the Tribunal for denovo examination of this point in accordance with law.

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The civil appeals are allowed with no order as to costs.

.....J.
[S.H. KAPADIA]

New Delhi,
September 08, 2008

.....J
[B. SUDERSHAN REDDY]