2009-TIOL-06-SC-IT

IN THE SUPREME COURT OF INDIA

Civil Appeal No. 993 OF 2005 With Civil Appeal No. 992 OF 2005

COMMISSIONER OF INCOME TAX

Vs

M/s LARSEN & TOUBRO LTD

S H Kapadia And Aftab Alam JJ.,

Dated: January 21, 2009

Income tax - Sec 10(5) - LTC / Conveyance Allowance - assessee-company gives LTC benefits to its employees - avails Sec 10(5) benefits - Revenue insists on collecting evidence towards actual utilisation of LTC facility - held, Sec 192 does not cast any obligation on the employer to collect and examine supporting evidence to establish declaration given by individual employees for having availed the facility - Revenue's appeal dismissed

JUDGEMENT

A short question which arises for determination in these Civil Appeal(s) is - whether the assessee(s) was under statutory obligation under Income Tax Act, 1961, and/or the Rules to collect evidence to show that its employee(s) had actually utilized the amount(s) paid towards Leave Travel Concession(s)/Conveyance Allowance?

It may be noted that the beneficiary of exemption under Section 10(5) is an individual employee. There is no circular of Central Board of Direct Taxes (CBDT) requiring the employer under Section 192 to collect and examine the supporting evidence to the Declaration to be submitted by an employee(s). For the above reasons there is no merit in the Civil Appeals and the same are dismissed with no order as to costs.