

Buses owned by assessee and run on hire eligible for higher deduction

Summary – The High Court of Punjab & Haryana in a recent case of Taj Travels (P.) Ltd., (the Assessee) held that buses owned by assessee and run on hire are eligible for higher deduction

Facts

- The assessee claimed higher rate of 30 per cent depreciation for the buses which were owned by it and were being run on hire.
- The Assessing Officer disallowed the depreciation holding that it would be applicable only to such businesses who had taken the buses on hire.
- The Tribunal, however, allowed assessee's claim.
- On revenue's appeal:

Held

- The HC held that the interpretation given by the Tribunal is correct and the Assessing Officer is not right in his understanding.
- Assessee's who are running automobiles for hire would be liable to claim a higher depreciation than those whose automobiles are meant for their use.
- In the circumstances of the case, there is no fault with the judgment and orders of the Tribunal. No question of law arises.
- In the result, revenue's appeal is dismissed.