

1. **BHC in the case of M/s. Warkem:** In context of a business arrangement, whereby assessee paid commission to its agent for sales effected directly in the area where said commission agent was appointed, BHC while affirming ITAT order has interalia concluded that

a) since assessee was paying commission in past from last many years and

b) there is agreement for the payment of commission

c) said business arrangement cannot be said to be against the public policy and illegal under Contract Act.

This was so held when parties to whom sales were effected confirmed to AO that they did not know commission agent. Further reference may be made to Delhi ITAT ruling in Jindal Saw Pipes 118 TTJ 228 & Mum ITAT in Rubber Plast case (BCAJ - Aug 2003).