

1. **Expediency, legitimacy and business need will have to be examined from assessee's point of view and not certainly, from department's view.** In earlier years, assessee paid interest at rate of 10 per cent but during relevant assessment year interest was paid at rate of 18 per cent on basis of resolution passed by executive committee of society. No loan was borrowed from the financial institutions. Interest was paid on the basis of the resolution passed by the Executive Committee of the assessee's society. The rate of interest was increased for all the creditors. There was no discrimination between the creditors. In other words, all the creditors got the interest @ 18%. **Commissioner of Income-tax-I, Kanpur v. Indus Technical Education Society, [2015] 55 taxmann.com 188 (Allahabad).**

2. **Cash payment involving business exigency allowed** - Assessee was working as an agent of Tata Tele Services Limited for distributing mobile cards and recharge vouchers. Tata insisted that cheque payment from assessee's co-operative bank would not do, since realization took longer time and such payments should be made only in cash in their bank account and If assessee would not make cash payment and make cheque payments alone, it would have received recharge vouchers delayed by 4/5 days which would severely affect its business operation. **Anupam Tele Services v. Income-tax Officer [2014] 366 ITR 122 (Gujarat).**