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UNIVERSITY OF LONDON
W.C.1.

-4 JUL 1955

Nos. 21 and 22 of 1954.

INSTITUTE OF ADVANCED
LEGAL STUDIES

In the Privy Council.

43575

ON APPEAL FROM THE COURT OF APPEAL OF THE FEDERATION OF MALAYA.

BETWEEN

PL. RM. FAMILY *Appellant*

AND

THE COMPTROLLER OF INCOME TAX . . . *Respondent*

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AND BETWEEN

P. V. FAMILY *Appellant*

AND

THE COMPTROLLER OF INCOME TAX . . . *Respondent.*

(Consolidated Appeals)

Case for the Respondent.

RECORD.

1. These are appeals brought by leave from Judgments and Orders of the Court of Appeal Supreme Court of the Federation of Malaya dated the 2nd July 1953 allowing the Respondent's appeals against Judgments and Orders of the High Court Kuala Lumpur (Appeal) dated 20th February 1953, which had allowed the Appellants' appeals from decisions of the Income Tax Board of Review for the Federation of Malaya, dated 21st October 1952, confirming assessments to Malayan income tax made upon the Appellants for the year of assessment 1951. pp. 27-36.
pp. 16-21.
pp. 8-13.

2. These two appeals turn upon the same question and have been heard together and treated as one in the proceedings up to and including the hearing in the Court of Appeal. On further appeal to Her Majesty in Council, it has been ordered by an Order made on the 17th June 1954 that the two appeals should be consolidated and heard together on one Printed Case on each side. p. 39, l. 20.

30 3. The Appellants are moneylenders, who made certain loans before the Japanese occupation of Malaya in 1942 which loans were paid off during the occupation period. In 1950, statutory provision was made

for the revaluation of payments made by debtors without demand during the occupation period. The substantial question of law arising on these appeals is whether or not the Appellants are entitled, in computing their liability to income tax for the year of assessment 1951, to deduct from their profits the difference between the amounts which they had entered in their accounts in respect of their claims under the revaluation legislation and the amounts which they ultimately accepted in final settlement of such claims.

4. Income tax is empowered in the Federation of Malaya by the Income Tax Ordinance 1947 (Malayan Union Ordinance No. 48 of 1947) 10 as amended by later Ordinances.

Section 1 of the Ordinance provides for its provisions to come into force on a date appointed by the High Commissioner. The date so appointed was the 1st January 1948.

Section 2 defines certain expressions used in the Ordinance, including :—

“ ‘basis period’ for any year of assessment means the period on the profits of which tax for that year falls to be assessed ” ;

“ ‘person’ includes a company, body of persons and a Hindu Joint Family ” ; 20

“ ‘year of assessment’ means the period of twelve months commencing on such date as the High Commissioner may . . . appoint and each subsequent period of twelve months.”

(The date so appointed was the 1st January 1948.)

Section 10 of the Ordinance imposes a charge to tax at the rates thereafter specified upon the income of any person accruing in or derived from or received in the Federation of Malaya in respect of, *inter alia*, gains or profits from any trade, business, profession or vocation.

Section 14 of the Ordinance provides (so far as is relevant to these Appeals) :— 30

“ 14. (1) For the purpose of ascertaining the income of any person for any period from any source chargeable with tax under this Ordinance, in this Part referred to as ‘the income’, there shall be deducted all outgoings and expenses wholly and exclusively incurred during that period, by such person in the production of the income, including—

“ (a) . . .

“ (b) . . .

“ (c) . . .

“ (d) bad debts incurred in any trade, business, profession or vocation, which have become bad during the period for which the income is being ascertained, and doubtful debts to the extent that they are respectively estimated, to the satisfaction of the Comptroller, to have become 40

“ bad during the said period, notwithstanding that such
 “ bad or doubtful debts were due and payable prior to the
 “ commencement of the said period :

“ Provided that—

“ (i) all sums recovered during the said period on
 “ account of amounts previously written off or allowed
 “ in respect of bad or doubtful debts, other than debts
 “ incurred before the commencement of the basis period
 “ for the first year of assessment under this Ordinance,
 “ shall for the purposes of this Ordinance be treated as
 “ receipts of the trade, business, profession or vocation
 “ for that period ;

“ (ii) the debts in respect of which a deduction is
 “ claimed were included as a trading receipt in the
 “ income of the year within which they were incurred ;

“ (iii) no deduction shall be allowed in respect of
 “ any debt incurred before the commencement of the
 “ basis period for the first year of assessment under
 “ this Ordinance.

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“ (e) . . . ”

Section 15 of the Ordinance provides :—

“ 15. Subject to the provisions of this Ordinance, for the
 “ purpose of ascertaining the income of any person, no deduction
 “ shall be allowed in respect of—

“ (a) . . .

“ (b) any disbursements or expenses not being money wholly
 “ and exclusively laid out or expended for the purpose of
 “ acquiring the income ;

“ (c) any capital withdrawn or any sum employed or intended
 “ to be employed as capital ;

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“ (d) . . . ”

Section 28 of the Ordinance deals with the valuation of trading stock
 on the discontinuance or transfer of a trade or business and provides :—

“ 28.—(1) . . .

“ (2) . . .

“ (3) . . .

“ (4) For the purpose of this section, the expression ‘ trading
 “ ‘ stock,’ in relation to any trade or business, means property of
 “ any description, whether movable or immovable, being either—

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“ (a) property such as is sold in the ordinary course of trade
 “ or business or would be so sold if it were mature or if
 “ its manufacture, preparation or construction were
 “ complete ; or

“ (b) materials such as are used in the manufacture, preparation
 “ or construction of any such property as is referred to
 “ in paragraph (a) of this sub-section.”

Section 31 of the Ordinance provides :—

“ 31.—(1) Save as provided in this section, the income of any person for each year of assessment (hereinafter referred to as ‘ statutory income ’) shall be the full amount of his income for the year preceding the year of assessment from each source of income possessed by him at any time during the year of assessment . . .

“ (2) Where the Comptroller is satisfied that any person usually makes up the accounts of a trade, business, profession or vocation or employment carried on or exercised by him to some day other than that immediately preceding any year of assessment, he may direct that the statutory income from that source be computed on the amount of the gains and profits of the year ending on that day in the year preceding the year of assessment . . .

“ (3) . . . ”

Section 33 of the Ordinance provides for the ascertainment of a person’s “ assessable income,” that is to say, the remainder of his statutory income after the deductions permitted by the section have been allowed ; such deductions relate to the amount of any loss incurred in the person’s trade or business—other than losses incurred before 1st January 1947— and gifts made to any institution of a public character.

Section 34 of the Ordinance provides for the ascertainment of a person’s chargeable income, that is to say, the remainder of his assessable income after the deductions permitted by Sections 34 to 36 have been allowed ; the deductions in question are various personal reliefs.

Section 38 of and the Second Schedule to the Ordinance specify the rate of tax which is to be levied on the chargeable income of every person other than a company, a non-resident, a trustee or an executor.

Part XII of the Ordinance makes provision for appeals by a taxpayer to the Income Tax Board of Review and thence to the High Court ; there is such further right of appeal from decisions of the High Court as exists in the case of decisions made by such Court in the exercise of its original civil jurisdiction.

5. The Debtor and Creditor (Occupation Period) Ordinance, No. 42 of 1948, which came into force on the 1st of October 1949, was enacted to regulate the relationship between Debtors and Creditors in respect of debts incurred prior to and during the period of the enemy occupation of the territories comprising the Federation of Malaya.

Section 4 of that Ordinance provides :—

“ 4.—(1) Subject to the provisions of sub-section (2) of this section, where any payment was made during the occupation period in Malayan currency or occupation currency by a debtor or by his agent . . . to a creditor or to his agent . . . and such payment was made in respect of a pre-occupation debt, such payment shall be a valid discharge of such pre-occupation debt to the extent of the face value of such payment.

“ (2) In any case—

“ (a) where the acceptance of such payment in occupation
“ currency was caused by distress or coercion ; or

“ (b) where such payment was made after the thirty-first
“ day of December, 1943, in respect of a pre-occupation
“ capital debt, exceeding two hundred and fifty dollars
“ in amount, which—

“ (i) was not due at the time of such payment ; or

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“ (ii) if due, was not demanded by the creditor or
“ his agent on his behalf and was not payable within
“ the occupation period under a time essence contract ;
“ or

“ (iii) if due and demanded as aforesaid was not
“ paid within three months of demand or within
“ such extended period as was mutually agreed
“ between the creditor or his agent and the debtor
“ or his agent ; or

“ (c) . . .

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“ such payment shall be revalued in accordance with the scale
“ set out in the Schedule to this Ordinance and shall be a valid
“ discharge of such debt only to the extent of such revaluation.”

Section 11 of the Ordinance provides for the reinstatement of securities for debts which had been discharged during the occupation period and which are now deemed by virtue of the provisions of this Ordinance to be partly undischarged.

6. The facts of these cases appear from the Income Tax Board of Review's Summary of Case, from the Judgment of Taylor, J., and from the Agreed Statement of Facts and are as follows :—

p. 11, l. 15-
p. 12, l. 16.

p. 30, l. 30-
p. 31, l. 20.

p. 40, ll. 10-35.

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(A) Each Appellant is an undivided Hindu family carrying on
business as a moneylending firm.

(B) In and before the year 1941 they lent money to various
borrowers on the security of land.

(C) During the enemy occupation of Malaya—between
15th February 1942 and 5th September 1945—the borrowers
repaid these loans in Japanese currency which was progressively
deteriorating in value.

(D) At the time of those payments such Japanese currency
was legal tender and a creditor was compelled to accept it at face
value and to release the security for the loan.

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(E) On 1st October 1949 the Appellants became entitled, by
virtue of the Debtor and Creditor (Occupation Period) Ordinance,
to claim further payments in respect of these settled debts and to
require the reinstatement of the released securities, subject to
certain conditions, one of which was that the payments had been
made without demand.

(F) The Appellants thereupon credited themselves in their accounts with the sums which they considered themselves entitled to demand from their former debtors by virtue of the provisions of that Ordinance. When the Appellants endeavoured to enforce payment of the sums so credited, some of the creditors refused to pay the amounts claimed from them. The Appellants anticipated some difficulty in enforcing their claims; in particular, the P. V. Family's manager during the war years died in 1945. Accordingly the Appellants, during the year 1950, settled their original claims by accepting payment of smaller sums. 10

(G) The general course of events is illustrated by the particular case set out in the Agreed Statement of Facts; in this case one of the Appellants claimed \$9,285 from a former debtor and made an appropriate entry in their books on 31st December 1949. On 22nd August 1951 the matter was settled by a payment of \$4,700 in full satisfaction of the claim for \$9,285.

(H) In calculating their income tax liability for the year of assessment 1951, the Appellants claimed to deduct sums of \$58,929.05 and \$344,465.90 respectively, being the difference between the amounts originally claimed by them under the provisions of the Debtor and Creditor Ordinance and the amounts actually realised on settlements with former debtors in respect of such claims. 20

(I) The Respondent refused to allow the claims so made by the Appellants and the Appellants thereupon appealed against such refusal to the Board of Review.

pp. 1-5.

p. 8, l. 40-
p. 11, l. 11.
p. 12.
p. 12, ll. 33-40.

7. The Board of Review heard and dismissed the appeal on the 21st October 1952. The Board's reasons are set out in its Grounds of Decision. The Board held that the debts in respect of which the deductions were claimed were incurred before the 1st January 1947 and that the deductions were prohibited by the third proviso to Section 14 (1) (d) of the Income Tax Ordinance 1947. They held, further, that the deductions could not be permitted as being within the terms of Section 33 (2) (a) or (b) of the Ordinance (which provide for the deduction of losses incurred during the year of assessment or within the preceding six years other than losses incurred prior to 1st January 1947) and that the deductions were not admissible as losses of stock-in-trade. 30

p. 12, l. 41-
p. 13, l. 3.

p. 13, ll. 6-13.

8. The Appellants appealed to the High Court, Kuala Lumpur, against the decision of the Board of Review. The appeal of the P. V. Family came on for hearing in the High Court (Briggs, J.) on the 13th February 1953 and on the 20th February 1953 the Court delivered judgment allowing the appeal with costs as regards the capital—as distinct from the interest—element of the loss claimed by the Appellants. 40

p. 13, l. 20.

pp. 16-20.

p. 16.

p. 16, l. 12.

p. 16, l. 23.

It was agreed at the hearing that the taxpayer must be assumed, after the coming into force of the Debtor and Creditor (Occupation Period) Ordinance, to have become absolutely entitled in law to recover the whole of the sums which it had entered in its books in respect of revalued debts, and it was further agreed that the difference between the sums so entered

and the amounts actually recovered was a loss which took place in the year 1950. [The Respondent, by his Counsel, withdrew his agreement to both of these propositions in the Court of Appeal, and they are not now admitted by him.] The learned judge said that on those admissions and the view which he took of the law, the loss occurred in 1950. He observed that the substantial question on the appeal was whether a bad debt can ever be deductible otherwise than under paragraph (d) of Section 14 (1) of the Income Tax Ordinance.

p. 16, l. 33.

p. 16, l. 40.

The learned judge said that it was common ground that in the case of a professional moneylender the capital which he lends to his customers is to be treated as the stock-in-trade of his business for the purpose of assessing his profits and it seemed to him to follow that if any of that capital was irrecoverably lost in the course of a normal business transaction, the effect was the same as if uninsured goods were lost at sea and the lost capital or goods must be recouped out of gross takings before the business as a whole has made any working profit.

p. 16, ll. 42-51.

The learned judge agreed with the Respondent's submission that the loss claimed could not be brought within the provisions of Section 14 (1) (d) of the Ordinance, but he considered that there was force in the taxpayer's argument that Section 14 (1) (d) referred only to debts having the character of profit making revenue debts and that the deduction claimed represented a loss of part of the circulating capital and must be replaced out of gross earnings before any profit can arise. He distinguished between the elements of capital and interest in the loss in question and thought that a moneylender may be regarded as in the position of the hirer of a chattel who has lost both the chattel and the hire due to him. He decided that Section 14 (1) (d) was intended to apply to commercial debts of an ordinary business and that these differ in their nature from the capital debts representing a moneylender's loans. He held that the provision in Section 14 (1) for the deduction of all "outgoings and expenses wholly and exclusively incurred during that period by such person in the "production of the income" was perfectly general and was not in terms restricted by paragraphs (a) to (i) which follow it and he saw no reason why the deduction claimed by the taxpayer should not be allowed under this general provision. He remarked that it would be illogical not to allow such a loss since, if the taxpayer had sold his debts at a discount to a third party instead of settling them directly, the loss on realisation would have been deductible as an outgoing or expense.

p. 17, l. 15.

p. 17, l. 32.

p. 17, l. 32-

p. 18, l. 10.

The learned judge therefore allowed the appeal and remitted the case to the Respondent to reassess the taxpayer on the footing that he was entitled to an allowance for principal moneys lost in consequence of the facts which had arisen but not to an allowance for interest similarly lost. Such calculation was to proceed on the footing that the settlements which the taxpayer was able to make must be deemed to have been recoveries of capital in the first place and recoveries of income only as regards any balance recovered in excess of the total capital involved in any transaction.

p. 18, ll. 14-27.

p. 18, l. 50-

p. 19, l. 5.

The learned judge therefore allowed the appeal and remitted the case to the Respondent to reassess the taxpayer on the footing that he was entitled to an allowance for principal moneys lost in consequence of the facts which had arisen but not to an allowance for interest similarly lost. Such calculation was to proceed on the footing that the settlements which the taxpayer was able to make must be deemed to have been recoveries of capital in the first place and recoveries of income only as regards any balance recovered in excess of the total capital involved in any transaction.

p. 19, l. 41.

By agreement between the parties, the PL. RM. Family Appeal fell to be decided in accordance with the decision in the P.V. Family Appeal and a corresponding order was made in that Appeal.

p. 20, ll. 28-35.

9. With regard to the judgment of Briggs, J., the Respondent respectfully submits that, independently of the two assumptions (both of which the Respondent disputes) upon which the judgment is based, the reasoning of the learned judge is unsatisfactory. In particular: the deductions claimed by the Appellants are not properly analogous to the loss by a trader of his goods since the Appellants are not claiming to deduct the value of anything which they have ever possessed but the value of something which they had mistakenly hoped to obtain; further, on the footing that money is the stock-in-trade of a moneylender, it is inaccurate to compare a moneylender with the hirer of a chattel since it is of the essence of "stock-in-trade" that the trader parts with it and lets it change masters; finally, the Respondent submits that the learned judge was mistaken in treating the opening words of Section 14 (1) of the Income Tax Ordinance as being perfectly general and unrestricted by the provisions of sub-paragraphs (a) to (i) thereof. 10

pp. 22-23.

10. The Respondent appealed to the Court of Appeal, Supreme Court of the Federation of Malaya against the decisions of the High Court. The appeal relative to the P. V. Family came on for hearing on the 14th April 1953 (Mathew, C.J., Malaya, Murray-Aynsley, C.J., Singapore and Taylor, J.) and on the 2nd July 1953 the Court delivered judgment 20 allowing the appeal with costs there and in the Court below.

pp. 27-35.

p. 28, ll. 18-20.

p. 28, ll. 20-37.

Mathew, C.J., Federation of Malaya, after referring to the facts and to the history of the case, said that, in his view, the appeal in the High Court was argued on a wrong view of the facts and some confusion was caused by the Solicitor-General's concession that the loss took place in 1950. The learned judge observed that the amount written off by the Appellants (the then Respondents) in their balance sheet for 1950 was the amount which they had failed to recover as a result of having settled all their claims under the Debtor and Creditor Ordinance for less than the full amount claimed. He said that even assuming that the Appellant's 30 manager during the occupation period had been alive and able to give evidence, it was doubtful whether the Appellants would have succeeded in all their claims. He said that it was unnecessary to determine whether the Debtor and Creditor Ordinance had the effect of reviving portions of old debts or of creating new debts. If it revived old debts, then the debt with which the Court was concerned was covered by proviso (iii) to Section 14 of the Income Tax Ordinance and could not be deducted. He said that it was difficult to see how the Debtor and Creditor Ordinance could have created a new debt but added that until judgment on a claim had been given no debt could arise. He regarded the money recovered 40 by the Appellants (the then Respondents) on settling their claims under that Ordinance as a gain which could not for the purposes of income tax be related back to the concluded transactions which took place during the occupation. He would allow the appeal.

p. 28, ll. 38-50.

p. 29, ll. 10-14.

p. 29, ll. 15-25.

p. 29, ll. 26-39.

Murray-Aynsley, C.J., Singapore, said that the appeals raised the question of the proper method of dealing with loans made before the Japanese occupation, part of which proved to be irrecoverable. The Appellants (the then Respondents) were unable to recover the whole of the face value of the debts revalued under the provisions of the Debtor and Creditor Ordinance. It was conceded that losses of that kind might be 50

treated as income losses, as distinct from capital losses, but in order to bring them into the accounts for the year 1950, they must be attributable to that year. This could be done by invoking Section 14 (1) (d) of the Income Tax Ordinance but the deduction was not permissible under that provision by reason of the terms of proviso (iii). The learned judge said that his view of the construction of the Ordinance was that Section 14 provided the only method by which a debt incurred in one year and found to be bad in another could be treated as a trading loss for the latter year. If he was wrong about the construction, it was necessary to consider whether, ignoring Section 14 (1) (d), the loss could be said to have occurred in the year 1950. He thought the only method would be to value all debts at the end of each year, treating as a profit or loss the difference between such valuation and the amount actually produced. For the Appellants (the then Respondents) to succeed along this line of approach they would have to show that these debts were worth their face value on 1st January 1950 and the learned judge did not think that they could do this. Up to 1st October 1949 the Appellants were not entitled to recover anything. On that date they became entitled to something but he did not consider that the debts were worth more than the amounts for which they were ultimately compromised. He thought that the fallacy behind the contention of the taxpayer was that they had been invoking Section 14 (1) (d) of the Income Tax Ordinance in order to make the loss occur in 1950, whilst they had tried to evade provisos (ii) and (iii). He thought that the appeal should be allowed.

Taylor, J., referred to the facts and said that the questions were whether, on a true construction of the Ordinance, the amount written off, or part of it, was allowable as a deduction, either as a trading loss or as a bad debt. In his view, the decision of Briggs, J., in the High Court was based on fallacious assumptions of fact and at least one erroneous admission. He said that the admission, during the argument in the High Court, that the loss on settlement of the revaluation claims occurred in 1950, was not correct. There were two separate questions. The first, a question of fact: "When did the loss occur?" The second, a question of law: "Is the amount written off in 1950 allowable as a deduction in the taxation account for that year?" The learned judge said that the analogy with the loss of physical goods was drawn at the wrong stage. When goods were destroyed, the correct way to account for them was to write them off forthwith as a total loss; if they were insured, a contra entry might be made of the amount expected to be recovered and the difference between the actual loss and the estimated recovery was the loss for that year. This estimate might be revised but in any event no loss could be incurred in a year in which the only thing that happened was a receipt of cash. In this case, no loss occurred in 1950.

The learned judge thought that Briggs, J., was wrong in regarding the firm as having become absolutely entitled to recover the full amount of their differences on the coming into force of the Debtor and Creditor Ordinance. They only became conditionally entitled subject to proof of the necessary facts. In no circumstances could they have been justified in writing back the full amount as a recoverable asset. The so-called loss which eventually had to be written off was not a real loss but the correction of a gross over-estimate. The learned judge added, however, that

even if the potential recoupment had been written back without any over-estimation there would have remained the question of law as to whether any difference between the amount so written back and the amount actually realised was an allowable deduction.

p. 33, ll. 30-48.

Taylor, J., said that the writing off by the Appellants of the difference between the anticipated and the realised recoupment necessarily involved an accounting loss in 1950 but that in truth it was the writing off in that year of the irrecoupable portion of a loss which was actually incurred before 1946. The deduction of any such loss was forbidden by the third proviso to Section 33 (2) (b) of the Ordinance and on this view of the case 10 the appeal must succeed.

p. 33, l. 49-
p. 34, l. 41.

The learned judge then dealt with two other possible views. He did not regard the sums here in question as bad debts. He said that the original debts were paid in full and that the amounts now in question were subsequent liabilities imposed by operation of law. Accurately expressed, the Debtor and Creditor Ordinance authorised a creditor to claim that a portion of an original debt was revived and a mere right to make a claim did not crystallise into a debt until the amount payable had been agreed or decided.

34, ll. 42-51.

The learned judge added that if, contrary to his view, a revaluation 20 claim ranked for Income Tax purposes as a debt, it was necessary to consider when it was incurred. If the Debtor and Creditor Ordinance revived portions of original debts, those debts were incurred before the first basis year and the assessment was correct. If the Ordinance created new debts, the amount written back on revaluation in 1949 should have been brought into the taxation account for that year, in which event the difference written off would have been deductible.

11. By Orders dated 14th September 1953, the Court of Appeal granted conditional leave to the Appellants to appeal to Her Majesty in Council from the judgment of that Court and, by further Order dated 30 11th December 1953, granted final leave to appeal.

12. The Respondent humbly submits that the Judgment of the Court of Appeal is right and ought to be affirmed for the following among other

REASONS

- (1) BECAUSE the amounts of the deductions claimed by the Appellants were not "losses" within the meaning of that word in Section 33 (2) of the Malayan Income Tax Ordinance.
- (2) BECAUSE, even if the deductions so claimed were 40 losses, such losses were incurred prior to the 1st January 1947 and are not deductible by virtue of either paragraph (a) or (b) of the said Section 33 (2).
- (3) BECAUSE the amounts of the Appellants' claims under the Debtor and Creditor Ordinance did not form part of their stocks-in-trade and they did not, therefore, sustain any losses in their stocks-in-trade as moneylenders.

- (4) BECAUSE the non-payment of a debt due to a money-lender is not in any event a loss of stock-in-trade.
- (5) BECAUSE a bad debt for the purposes of the Malayan Income Tax Ordinance is a debt which, when it was a good debt, would have come in to swell the profits of the trade in question and the amounts of the deductions claimed by the Appellants are not, therefore, "bad debts" at all.
- 10 (6) BECAUSE, even if the deductions claimed by the Appellants were bad debts, they were debts incurred before 1st January 1947 and their deduction is prohibited by proviso (iii) to Section 14 (1) (d) of the Malayan Income Tax Ordinance.
- (7) BECAUSE, unless the amounts of the deductions claimed by the Appellants are either trading losses or losses of stock-in-trade or bad debts, there is no provision of the Malayan Income Tax Ordinance under which such deductions can be justified.
- 20 (8) BECAUSE the judgment of Briggs, J., in the High Court, Kuala Lumpur, is based on assumptions which, although accepted at the hearing on behalf of the Respondent, are wholly unfounded.
- (9) BECAUSE the reasoning of the judgment of Briggs, J., is erroneous.

RODERICK WATSON.

Nos. 21 and 22 of 1954.

In the Privy Council.

ON APPEAL

*from the Court of Appeal of the Federation
of Malaya.*

BETWEEN

PL. RM. FAMILY *Appellant*

AND

THE COMPTROLLER OF INCOME

TAX *Respondent*

AND BETWEEN

P. V. FAMILY *Appellant*

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THE COMPTROLLER OF INCOME

TAX *Respondent.*

(Consolidated Appeals)

Case for the Respondent

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