Case Laws - Income Tax

S.no	Chapter	Case Law Name	Facts & Decision	Ruling
1	Basics	**M.M Ipoh VS CIT**	AOP May have firms, companies as it members	Supreme Court
2	Basics	**CIT VS SHAW WALLACE & CO**	The Term income connotes a periodical monetary return coming from some sort of regularity	PC
3	Basics	**CIT VS RAMESHWARLAL SANWARMAL**	Same income cannot be taxed twice, but same person can be taxed twice also,e,g ind & HUF	Supreme Court
4	Basics	**CIT VS STERLING HOLIDAY RESORTS (INDIA) LTD**	Deferred Income is alien to Income tax act and hence no question of taken deferred income into account	MC
5	Basics	**CIT VS CORAL ELECTRONICS P LTD**	Assessee collects money from customers, bifurcates that in to two, service to be offered & service offered. Till he gets right to use the money, it cannot be taxed.	MC
6	Basics	**CIT VS NALINIKANT AMBALAL MODI**	The Method of Book keeping followed by the assessee cannot decide under which head a particular income should go	Supreme Court
7	Basics	**CIT VS MARUTHI UDYOG**	Money borrowed utilized for earning income which does not form part of total income, and therefore dis allowed U/s 14A	Supreme Court
8	Basics	**CIT VS CITICORP FINANCE (INDIA) LTD**	No Arbitrary dis allowance by AO,he should follow Statutory Methods Only	Bombay
9	Basics	**CIT VS CANARA BANK LTD**	FOREX Diff gains are capital receipts if they are kept as investment else they are rev receipt	Supreme Court
10	Basics	**CIT VS PONNI SUGARS LTD**	The Form in which subsidy is given is irrelevant fro determining nature of receipt. The objective of the subsidy is only important	Supreme Court
11	Basics	**CIT VS MAHESHWARI DEVI JUTE MILLS LTD**	Sale of LOOM Hours is only Capital Receipt	Supreme Court
12	Income from House Property	**CIT VS CHELMSFORD CLUB**	One cannot make income against himself (Principle of mutuality) ,Receipts from members Not Taxable	Supreme Court
13	Income from House Property	**CIT VS S.G MERCANTILE CORP P LTD**	The Assessee even if a company incorporated with an objective to Buy and Sell Land, Still Income is chargeable only under Income from house property	Supreme Court
14	Income from House Property	**ITO VS YAGYAWATI JAYASWAL FAMILY TRUST**	Lessee is deemed to be owner for the assessment if lease term is covered under 269UA and is more than 12 years in term	Calcutta
15	Income from House Property	**CIT VS VAIDYANATHAN**	Partnership firm occupies a premises belonging to the partner, The AO cannot charge Income from house property in the hands of Partner.	Madras
16	Income from House Property	**(H.S SINGAL & SONS ,CIT VS CHAMPA LAL JEEVARAJ)**	In this Case HUF is partner in the firm through KARTA, therefore AO is not justified in assessing the HUF for Income from house property	
17	Income from House Property	**CIT VS K.N GURUSAMY**	**~ to Above Case but Judgement is Contrary needs to be reconsidered**	Karnataka
18	Income from House Property	**CIT VS SUNDARAM IYENGAR & SONS LTD**	When Employees of sister concerns occupy property, it does not mean employees have assessee have occupied the property	Madras
19	Income from House Property	**CIT VS DELHI CLOTH AND GENERAL MILLS CO LTD**	When the assessee lets out the property to employees as incidental to main business, still its considered as business and therefore not chargeable under income from house property	PUN
20	Income from House Property	**CIT VS SHEW KISSSEN BHATTER**	Penal Interest is not Deductible	
21	Income from House Property	**ITO VS O.P SHARMA**	Non refundable PF LOAN, Deemed Interest is allowable	JP TRIBUNAL
22	Income from House Property	**CIT VS AMRIT LAL ADLAKHA**	Deduction u/s 24 cannot be restricted just bcos loan is borrowed for buying plot and not property	
23	PGBP	**CIT VS B.M KHARWAR**	One cannot carry Business among himself	Supreme Court
24	PGBP	**CIT VS Visheshwara Singh**	Purchase and Sale of shares in frequent intervals cannot be said a Change in investments but treated as dealing in Shares	Supreme Court
25	PGBP	**CIT VS VINOD KUMAR**	Disposal of assets in pieces is not treated any adventure in the nature of trade	Supreme Court

26	PGBP	**R.Imbavalli Vs ITO**	Foreign Trips Granted Free to Assesee by the company in appreciation for selling the companies product is taxable under section	Madras
27	PGBP	**CIT Vs Tosha International Ltd**	Sec 28 will not Apply in case of waiver of Principal amount of a loan	
28	PGBP	**CIT VS LAKSHMI VILAS BANK LTD**	Margin Money Forfeited by the bank is Chargeable under section 28	Supreme Court
29	PGBP	**New India Maritime Agencies P LTd**	When the company gives its houses as residence to Director, Income from such property should be assessed under income from Business only	Supreme Court
30	PGBP	**CIT VS SAIL LTD**	Govt Grant to a 100% Govt company is a revenue receipt	Del
31	PGBP	**CIT VS TATA LOCOMOTIVE & ENGG CO LTD**	Depreciation on Funds kept in foreign Currency for Capital Purposes is not Allowed	Supreme Court
32	PGBP	**CIT VS ABHULABAI ABDULKHADAR**	Loss Arising From non recovery of tax paid by an agent on behalf of non resident is not deductable	Supreme Court
33	PGBP	**CIT vs Kasturi & Sons Ltd**	Moneys Payable represents only actual money payable in cash and not any other benefit which is converted in to money	Supreme Court
34	PGBP	**CIT VS Challapali Sugars Ltd**	Interest Liability up to the stage of commencement of production should be capitalized	
35	PGBP	**CIT VS Tuticorin Alkali Chemicals and fertilisers Ltd**	Good Accounting Doesn't Mean Good Taxation!. The money invested in FD earned interest which can be used as per the wish of assessee. Merely because he used to repay the Interest on capital Borrowed it doesn't make it as Capital receipt	Supreme Court
36	PGBP	**Soprpha S.A In re**	The hedging contracts need not be in the same variety of the commodity. They could be in connected commodities,e.g one type of cotton against another type of cotton	AAR
37	PGBP	**Punjab Distilling Industries Ltd**	Deposits received in the course of business if they are unreturned they can be charged as Revenue receipts	Supreme Court
38	PGBP	**TVS Sundaram Iyengar & sons Ltd**	Writing back of Deposits collected but barred by limitation to Profit & Loss account is charged as revenue receipt	Supreme Court
39	PGBP	**Badridas Daga Vs CIT**	Loss arising due to agent action in a money lending business is allowable as deduction	Supreme Court
40	PGBP	**CIT Vs Amalgamations Private Ltd**	Loss due to loan guaranteed to subsidiary company and that company is in liquidation stage, such a loss will be allowed when the holding company receives last payments from the liquidator	Supreme Court
41	PGBP	**CIT VS Saravana Spinning Mills**	Current repairs are expenditure that is incurred to preserve and maintain an already existing asset	Supreme Court
42	PGBP	**CIT VS Deepak Fertilisers & Petrochemicals corporation ltd**	Where assessee purchases shares of real estate company and by virtue of this owns building ,he is entitled to claim depreciation on this building	Bombay
43	PGBP	**CIT VS L.G Balakrishnan & Bros**	Expenditure on travelling incurred for the purpose of fixed assets are capital expenditure only	Madras
44	PGBP	**CIT VS Neha Proteins Ltd**	Interest on Share application money that is earned is capital receipt that is not taxable and allowable deduction for share issue expenses	Raj
45	PGBP	**CIT VS ajitkumar Kamdar**	It is not obligatory for assessee to prove that his debts have become bad	Bombay
46	PGBP	**CIT VS Morgan Securities and Credits P Ltd**	It is not obligatory for assessee to prove that his debts have become bad	Delhi
47	PGBP	**CIT VS Koteshwara Rao Veerabhadra Rao**	Bad debts of firm is deductible in the hands of company	Supreme Court
48	PGBP	**CIT VS Indian Visit.com Private Ltd**	Assessee is in Travel Business, it developed website for customers held it is revenue expenditure	Delhi
49	PGBP	**CIT VS EID Parry Ltd**	Subsequent abandonment of project does not make capital expenditure as revenue	Madras
50	PGBP	**CIT VS General Insurance**	Expenditure on issue of bonus shares is revenue expenses only	Supreme Court
51	PGBP	**CIT VS R.B moolchand suganchand**	Payment for winning and extracting mineral from land is capital expenditure; but acquiring mineral already won is a revenue expenditure only	Supreme Court
52	PGBP	**CIT VS Naveen Projects Ltd**	Expenditure on software and its up gradation is allowable	Delhi

53	PGBP	**Swadeshi Cotton Mills**	Where Compensation paid is in respect of breach of contract of purchasing Capital assets, then such an expenditure is capital expenditure	P & H
54	PGBP	**Rajkumar Mills**	Amount paid for Shortfall in Export Performance is deductible	MP
55	PGBP	**Alembic Chemical Works Ltd**	Expenditure on Installing Computers which are hired is a allowable Deduction	Guj
56	PGBP	**Modi Oilvetti Ltd**	Even if Expenditure is deferred for Books it can be claimed for Income tax in the same year	Delhi
57	PGBP	**ITC Ltd**	Provision for Damage of Stock is allowable under section 37(1)	Cal
58	PGBP	**M.s Kumaraswamy**	Payment of secret commission/Bribes are not allowed under section 37(1)	Madras
59	PGBP	**Udaipur Distillery Co Ltd**	Furnishing of Bank Guarantee does not amount to payment for the Purpose of section 43B	Raj
60	PGBP	**Berger Paints India Ltd**	The entire Excise duty paid is allowable irrespective of duty forming part of closing stock of the assessee	Supreme Court
61	PGBP	**Associated Pigments Ltd**	When assessee has credited/debited sales tax to a separate sales tax account that would not make section 43 B inapplicable	Cal
62	PGBP	**CIT VS Thirumalaiswamy Naidu**	Sales tax refund not refunded to customers is taxable	Supreme Court
63	PGBP	**Navjivan Udyog Mandir P Ltd**	Excise duty refund is shown in Balance sheet separately as Refund due to Customers, in such a case it is not taxable in the hands of assessee	Guj
64	PGBP	**Nector Beverages P Ltd**	Section 41(1) covers Capital Expenditure also	Bombay
65	PGBP	**Bai Shirinbai K Kooka**	Assessee converts capital asset into stock in trade and starts to dealing with them, in such as case he is not boung to value his stock at cost	Supreme Court
66	PGBP	**Shakthi Trading Company**	AO cannot substitute value of Closing stock with Market value for the purpose of arriving stock value up to the date of dissolution of firm	Supreme Court
67	PGBP	**Southern Petrochemicals Industries Corporation Ltd**	Depreciation is allowable on spares forming part of critical parts of machinery	Madras
68	PGBP	**S.A Builders**	Borrowed funds advanced to a third party should be for commercial expediency ,if is sought to be allowed under section 36(1)(iii).Where holding company has a deep interest in its subsidiary and the holding company advances borrowed money to the subsidiary and the same is used by the subsidiary for its business purpose the holding company will be entitled for deduction on interest on its Borrowed loans	Supreme Court
69	PGBP	**Sivakami Mills**	Upfront charges paid by the assessee to Foreign bank for Refinancing its loan is allowable under section 37(1)	Supreme Court
70	PGBP	**Gujarat Alkalis & Chemicals Ltd**	Upfront charges paid by the assessee to Foreign bank for Refinancing its loan is allowable under section 37(1)	Supreme Court
71	PGBP	**Jamuna auto Industries**	Damages for Breach of Contract is allowable	P & H
72	PGBP	**G.E Capital services Ltd**	Expenditure on MS Office Software is allowed under section 37(1)	Delhi
73	PGBP	**Southern Roadways Ltd**	Expenditure on up gradation of computers is allowed under section 37(1)	Madras
74	PGBP	**Exide Industries Vs Union of India**	Sec 43 B is unconstitutional with respect to Disallowing Leave salary	Cal
75	PGBP	**Bharath Earth Movers Ltd**	Sec 43 B disallowance is not justified for Leave salary Provision, hence it may be allowed on accrual basis	Supreme Court
76	PGBP	**Noble & Hewitt India Private Ltd**	Sec 43B doesn't apply when service tax collected/paid is not debited/Credited to Profit & Loss Account	Delhi
77	PGBP	**Sahney Steel & Press works Ltd**	Sales tax subsidy given for Carrying on a Business is Revenue receipt and for setting up a business is a capital receipt	Supreme Court
78	PGBP	**Vikram Cotton Mills Ltd**	Income arising from leasing of assets during a temporary period to tide over business conditions is a business income only	Supreme Court
79	PGBP	**UP State Industrial Development Corporation**	Underwriting Commission is Deducted from Cost of acquisition of Shares allotted to them and not taxed as revenue receipt	Supreme Court
80	PGBP	**Mysore Minerals Ltd**	If assessee is able to enjoy ownership rights of the depreciable asset, then depreciation can be claimed ,registration in the name of the assessee is not necessary	Supreme Court
81	PGBP	**Viramani industries**	Unabsorbed Depreciation can be carried forward even if business is discontinued	Supreme Court

82	PGBP	**Madras Auto Services P Ltd**	Expenditure on demolition and reconstruction of premises taken on lease is allowable as Revenue expenditure	Supreme Court
83	PGBP	**Sivakami Mills**	Guarantee Commission paid to Bank is a revenue expenditure	Supreme Court
84	PGBP	**Jagan Mohan Rao**	Payments to Correct defective title are capital payments	Supreme Court
85	PGBP	**Punjab State Industrial Development Corporation Ltd**	ROC Fees is Capital Expenses	Supreme Court
86	PGBP	**Brook Bond India Ltd**	Share issue expenses cannot be claimed under section 37(1) but only under Section 35D	Supreme Court
87	PGBP	**Indo Nippon Chemical Company Ltd**	It is not Possible to the Assessing officer to adopt different methods of valuation of excise duty paid on raw material, that is grossing on one hand and netting on other	Supreme Court
88	PGBP	**Atlas Cycle Industries**	Forfeited Security Deposits are Revenue Receipts	P & H
89	PGBP	**Hindustan Motors Ltd**	Date of Payment is not Fixed but as interest income accrues in the hands of lender company ,subsequent passing of resolution that interest need not be charged does not prevent income that has accrued	Cal
90	PGBP	**Oriental Coal Co Ltd**	When Machinery was not used due to Lockout no Depreciation can be availed	Cal
91	PGBP	**Madan & Co**	Leasing out vehicles entitles the assessee for higher rate of Depreciation	Madras
92	PGBP	**Capital Bus Services P Ltd**	Spare Buses are eligible for Depreciation	Delhi
93	PGBP	**Kishichand Chellaram**	Interest paid for loan borrowed for paying Income tax is not allowed under section 37(1)	Bombay
94	PGBP	**Kesar Sugar works Ltd**	Interest paid for loan borrowed for paying Dividend is allowed under section 37(1)	Bombay
95	PGBP	**Himsor Textile Industries Private Ltd**	Tax paid by the successor under section 170(3) will not be allowed under section 40(a)(ii)	Guj
96	PGBP	**Palani Andavar Mills Ltd**	School Building Constructed for employees children is deductible	Madras
97	PGBP	**Premier Automobiles Ltd**	Legal fees / Stamp Duty/ Registration expenses incurred in connection with issue of debentures are allowed	Bombay
98	PGBP	**Tungabadra Industries**	Debenture Premium is a revenue expenditure	Cal
99	PGBP	**P.K Kaimal**	Assessee should be same for attracting provisions of section 41(4)	Madras
100	PGBP	**Cochin Company Private Ltd**	Financier wrote off amount lent for the assessee for purchasing machinery, due to assessee's financial constraints, now actual cost of machinery cannot be reduced by the amount written off	Ker
101	PGBP	**Travancore Cochin Chemicals**	AO enhanced Closing stock by certain amount, he should now take the same increase into effect for next year opening stock	Supreme Court
102	PGBP	**Kumaran Mills**	Payment exceeding limits in payment of bonus act is still allowed	Madras
103	PGBP	**CIT VS T.A QUERESHI**	Only illegal expenditure is disallowed not business loss	Supreme Court
104	Capital Gains	**Maharaja Rana Hemanth Singhji**	Gold bars , Silver coins used for Deities are not intended for personal use or household use and therefore teated as capital assets	
105	Capital Gains	**Tibbils Vs Fedaral Insurance company**	A Foreign Stamp Collection is not a personal effect	Bombay
106	Capital Gains	**Liverton Vs Liverton**	Cars, Motor Bikes are Personal Capital Assets	NYS
107	Capital Gains	**Burnside's Wells**	Securities are not personal assets	NYS
108	Capital Gains	**Kalirajan**	Goats purchased for grazing in fields which are later sold are covered under transfer and capital gains arises	Madras
109	Capital Gains	**M.S Srinivasa Niacker**	Where land in under agricultural operation on date of sale and it is taken as agricultural land and it mattered little what the purchaser intends to do with the land	Madras
110	Capital Gains	**Dr Ramachandra Rao**	Land is an independent asset and remains to be an identifiable capital asset even after building is constructed	Madras
111	Capital Gains	**Kalyani Export and investments Private Ltd**	Where Stock in trade is converted into capital asset and thereafter the capital asset is transferred the holding period is to be reckoned from the date of purchase of stock in trade and not from the date of conversion	Pune
112	Capital Gains	**Vania Silk Mills P Ltd**	The Compensation paid for Damage of capital asset is not Chargeable to tax	Supreme Court
113	Capital Gains	**Anarkali Sarabhai**	Redemption of Preference Shares is a Transfer	Supreme Court
114	Capital Gains	**Karthikeya Vs Sarabhai**	Reduction of share capital amounts to transfer	Supreme Court

115	Capital Gains	**Anglo India Jute Mills Co Ltd**	Receipt from the cancellation of forward contract is not chargeable to tax under section 45	Cal
116	Capital Gains	**Hira lal ram Dayal**	Where assessee furnished evidence to purport that sale deed is sham the evidence is considered and cannot be ignored merely considering sale deed as a sacrosanct document	P&H
117	Capital Gains	**K.R Shrinath**	Where assessee received compensation from Seller for Relinquishing Purchasing right the amount is taxable under section 45	Madras
118	Capital Gains	**Al Ramanathan**	Rearrangement of interest by way of effecting family arrangement among the members does not lead to transfer	Madras
119	Capital Gains	**SS Thyagarajan**	Capital loss cannot be carried forward if Capital Gain is Exempt under section 10	Madras
120	Capital Gains	**T. Srinivasa Rao**	Payment made to protect tenant of land out of compensation received for acquisition of land is not deductible	AP
121	Capital Gains	**R.Ranga Setty**	Legal Expenses for obtaining compensation from government for compulsory acquisition of land is deductible	Karnataka
122	Capital Gains	**P.Rajendran**	Legal Expenses for obtaining Enhanced compensation from government for compulsory acquisition of land is deductible	Karnataka
123	Capital Gains	**Attilli N Rao**	Where property was mortgaged by assessee before the transfer and expenses were met for discharge of the mortgage such expenses are not deductible	Supreme Court
124	Capital Gains	**Leela P Nanda**	Brokerage for identifying buyer became due but land was compulsorily acquired by the government it was held that such brokerage expenses are deductible	Bombay
125	Capital Gains	**RN Arunachalam**	Estate duty paid in respect of inherited property cannot be deducted	Supreme Court
126	Capital Gains	**Roshanbabu Mohammed Hussain**	Where property was mortgaged by previous owner subsequently transferred by will to assessee and before assessee transfers the property ,expenses were met for discharge of the mortgage such expenses are deductible	Bombay
127	Capital Gains	**Union Company Motors Ltd**	Where assessee transferred land with Building, the buyer demolished the building it is was held consideration was for Land only and hence it was Long term Capital Gain Only	Madras
128	Capital Gains	**ECE Industries Ltd**	If the entire business is sold Provisions of Slump Sale will apply	Delhi
129	Capital Gains	**Travancore Rubber & Tea Company Ltd**	No distinction in money collected by the seller from the buyer all are in nature of capital receipts Only	Supreme Court
130	Capital Gains	**BC Srinivasa Chetty**	when computation cannot be made Charging cannot be made. Cost of Self generated goodwill on Profession cannot be ascertained and hence not taxable	Supreme Court
131	Capital Gains	**CV Ramanathan**	Section 54 can be invoked by the legal heir of the assessee also	Madras
132	Capital Gains	**T.N Aravinda Reddy**	Section 54 available when assessee bought share in the HUF property from other members of HUF	Supreme Court
133	Capital Gains	**B.B Sarkar**	Section 54 gives Choice and not an restricted Option , the assessee may Purchase and construct also	Cal
134	Capital Gains	**ACE Builders Private Ltd**	Section 54EC is available for Transfer of Depreciable assets also	Bombay
135	Capital Gains	**Mahavir Prasad Gupta**	Residential House purchased for section 54F exemption may or may not be used for residential purpose	Delhi
136	Capital Gains	**MohanBhai Pamabhai**	Retiring Partner Share of goodwill which is paid is not subject to capital Gains	Supreme Court
137	Capital Gains	***Hindustan Housing & Land Development Trust***	*Enhanced Compensation received on the basis of lower court decision and the matter is pending in appeal in the high court is not taxable in the year of receipt but taxable in the year in which the decision of high court takes place*	*Supreme Court*
138	Capital Gains	**VSMR Jagadish Chandran**	Where property was mortgaged by assessee before the transfer and expenses were met for discharge of the mortgage such expenses are not deductible	Supreme Court
139	Capital Gains	**Common wealth Trust Ltd**	Substitution of FMV as on 1st April 1981 is not available for assets covered under section 50	Supreme Court

140	Capital Gains	**JM Metha & Bros**	Transfer of Immovable property to Partners merely by Book Entries and not registration in the name of partners is not done, subsequently Partner transfers such a property the capital gain is Chargeable in the hands of Firm only	Bombay
141	Capital Gains	**Inland agencies**	Cost of Acquisition and improvement for Enhanced compensation is NIL only	Madras
142	Capital Gains	**Shahzada Begum**	Section 54 Time limit ,the relevant date is date of taking over possession of property	AP
143	Capital Gains	**Chandenen Magalal**	Section 54 is allowable even if assessee was previously residing in that property or that only a proportionate share in the property was purchases	Guj
144	Capital Gains	**Maithreyi Pai**	Expenses not allowed under section 57 is allowable to be deducted but ground rent is not deductible	Karnataka
145	Capital Gains	**M Raghavan**	Indexation is not available for depreciable assets	Madras
146	Income From Other Sources	**CIT Vs G Hyatt**	Interest received by an employee at the time of retirement from an un recognised provident fund is taxable as income from other sources	Supreme Court
147	Income From Other Sources	**P.K Badiani**	Accumulated profits include all reserves except Depreciation reserve	Supreme Court
148	Income From Other Sources	**V Damodaran**	Accumulated profits do not include provisions & other liabilities	Ker
149	Income From Other Sources	**Short Bros P Ltd**	Accumulated profits include all income gains even if they are exempt	
150	Income From Other Sources	**Shashibala Navanitlal VS CIT**	If bonus Preference shares are issued to equity shareholders, when such shares are redeemed, the payments made to share holders constitutes dividend	Guj
151	Income From Other Sources	**V.Giridardas & Co P Ltd**	When payments are made by liquidator of the company the payments are deemed to be in proportion of share capital to reserves & Surplus of the company just before the date of liquidation	Supreme Court
152	Income From Other Sources	**Rameshwarlal sanwarmal Vs CIT**	Section 2 (22) e is attracted only if the loan or advance is being given to a person who has beneficial interest as well as the he is registered shareholder	Supreme Court
153	Income From Other Sources	**Tarulata shyam**	Even if Loan is repaid before the end of previous year section 2(22)e deemed dividend can arise	Supreme Court
154	Income From Other Sources	**L Alagusundaram Chettiar**	When an CEO takes loan using employee as an vehicle section 2(22) e is still attracted	Supreme Court
155	Income From Other Sources	**P.S Abubucker**	When advance is given to person who has substantial interest in the company, but the advance is for the property taken on rent by the company from that person, still section 2(22) e applies	Madras
156	Income From Other Sources	**Vallabh Leasing & Finance company Private Ltd**	Sec 94 deeming fiction cannot be applied as such,a single transaction showing that assessee had involved in tax evasion is not sufficient as such	MP
157	Income From Other Sources	**P.V John**	Section 2(22) e does not apply strictly when a CEO's Son gets a cash gift from the company	Ker
158	Income From Other Sources	**Dr VP Gopinathan**	Interest on Loan taken on Fixed Deposit cannot be allowed as deduction	Supreme Court
159	Income From Other Sources	**Rajendra prasad moody**	When Interest on Capital Borrowed for the purpose of investment in shares and securities, it will be allowed as deduction	Supreme Court
160	Clubbing Of Income	**S.Raghbir Singh VS CIT**	When there is provision to reassume power in case of revocable transfer, actual exercise of power is not necessary	Supreme Court
161	Clubbing Of Income	**Shriramachandraji Maharaj ka Bada Mandir**	When the assessee transfers to trust which maintains a temple and trustee is the assessee, clubbing provisions do not apply	Guj
162	Clubbing Of Income	**Batta Kalyani VS CIT**	Technical or professional qualification does not mean that it must be obtained by recognized degree or diploma	AP
163	Clubbing Of Income	**Bansilal vyas**	Money paid to wife to obtain consent for adoption does not come under the purview of clubbing provisions	AP
164	Clubbing Of Income	**mohini Thapar**	When Money is gifted by the assessee to his wife and she deposits that in the bank ,interest income from such deposits are clubbed in assessee' s hand	Supreme Court
165	Clubbing Of Income	**Seventhilal Maneklal Seth**	Capital Gains can also be clubbed	Supreme Court
166	Clubbing Of Income	**M.P Birla**	Income from accretion of assets cannot be clubbed.	Bombay

167	Clubbing Of Income	**L.Hirday Narain**	When property is gifted by Kartha of HUF to his wife clubbing do not apply	Supreme Court
168	Clubbing Of Income	**Tulasidas Kilachand**	Clubbing provisions apply even if transferor and transferee are same	Supreme Court
169	Clubbing Of Income	**R.p Sarathy**	Minors income cannot be clubbed with any person other than his parents	Madras
170	Clubbing Of Income	**Vairaprakasam Sivakasi**	If minor's income is clubbed in fathers hand in one year next year it cannot be just clubbed with mothers income strictly going by law	Madras
171	Setoff & Carry forward	**Western state trading co pvt Ltd**	When shares are held by the assessee as trading assets then deemed dividend is business income and can be setoff using other business losses	Supreme Court
172	Setoff & Carry forward	**Covelong beach hotel India Ltd**	Carry forward of business losses is restricted to 8 years, not withstanding the fact there has been no assessment during that period	Madras
173	Setoff & Carry forward	**Abubucker**	When return is not filed within due date previous losses can be carried forward	Hyd
174	Setoff & Carry forward	**Apollo tyres**	Explanation to section 73 does not apply to companies involved in transacting Units	Ker
175	Setoff & Carry forward	**ANZ Grindlays Bank**	Explanation to section 73 does not apply to companies involved in transacting Government securities	Delhi
176	Setoff & Carry forward	**Shanthilal Private Ltd**	A transaction cannot be said to be speculative where there is compensation received due to breach of contract	Supreme Court
177	Setoff & Carry forward	**Frontline capital services ltd**	Business of share broker does not include sale and purchase of share conjointly	Delhi
178	Clubbing Of Income	**Philip John Plasket Thomas**	Relationship of Husband and wife must subsist both at the time of transfer and time of accrual of income	
179	Assessment of Companies	**Classic Shares and stock broking services ltd**	Where assessee by virtue of change in shareholding becomes a 100% subsidiary of a public company in which public are substantially interested then section 79 doesn't apply	Bombay
180	Assessment of Companies	**Concord industries**	Section 79 does not apply to unabsorbed depreciation	Madras
181	Assessment of Companies	**Gulf oil corporation ltd**	No adjustment for extraordinary items is permissible for books profit under section 115JB	
182	Assessment of Companies	**E.I DuPont India Ltd**	For Book Profit in 115JB no additions are required for provision for bad & Doubtful debts or Provision for FOREX Losses	Delhi
183	Assessment of Companies	**Apollo tyres Ltd**	The assessing officer cannot adjust the book profit except to the extent permissible	Supreme Court
184	Assessment of Companies	**IOL Ltd**	Amount set apart for redeeming debentures is transferred to debenture redemption reserve cannot be added for computing book profit	Cal
185	Assessment of Companies	**Usha Martin Industries**	Wealth tax provision cannot be disallowed for book profit computation	Cal
186	Assessment of Companies	**Avery cycle industries**	No adjustment can be made for computing book profits if the interest on capital borrowed is not debited to profit & Loss account	chan
187	Assessment of Companies	**Good will India Ltd**	Provision for lease equalization charges cannot be regarded as amount transferred to reserves	Delhi
188	Assessment of Companies	**Modern Woollen Ltd**	Depreciation can be provided at rates higher than those rates given in schedule XVI of the companies act	Bombay
189	Assessment of Companies	**Malaya Manorama Ltd**	Depreciation can be provided at rates higher than those rates given in schedule XVI of the companies ac	Supreme Court
190	Assessment of Companies	**Tranvancore Chemicals & Manufacturing co Ltd**	Refund of tax not credited to Profit & Loss account cannot be added for computing book Profits	Cochin
191	Assessment of Companies	**Tata Locomotive & Engg Ltd**	Forex Gain is Capital receipt if the surplus in kept for the purpose of acquiring a capital asset	Supreme Court
192	Assessment of Companies	**City mills Distributors P Ltd**	Company cannot be assessed for its profits prior to its incorporation	Supreme Court
193	Assessment Procedures	**Pannalal Nandlal Bhandari**	Section 139(1) applies to all persons Resident or Non residents	Supreme Court
194	Assessment Procedures	**Kuamar Jagadish Chandra**	Belated Returns cannot be revised	Supreme Court
195	Assessment Procedures	**Samson Distilleries P Ltd**	Revised Returns can be further revised	bang
196	Assessment Procedures	**Goetze India Ltd**	An assessee cannot amend a return filed by him for making a claim of deduction other than by filing a revised return	Supreme Court
197	Assessment Procedures	**Hind Samachar Ltd**	Return that is not signed is invalid but not defective	P&H
198	Assessment Procedures	**Safari Mercantile P Ltd**	Assessee filed a return of income but did not pay the self assessment tax, held he cant challenge that he did not receive notice of demand under section 156 demanding self assessment tax declared by him as payable	Bombay
199	Assessment Procedures	**Bajrang Textiles**	Simply because accounts are voluminous does not make them complicated for the purpose of special audit	jodh

200	Assessment Procedures	**Swadeshi Polytex Ltd**	If Special Auditor refuses to audit the books, the assessee cannot be penalised	Supreme Court
201	Assessment Procedures	**Adarsh Traders**	If notice under section 143(3) is sent to the assessee by registered post on the last day of the period of limitation and it is served on the assessee a few days later,beyond the period of limitation,it cannot be said to be a validly served	Delhi
202	Assessment Procedures	**Liquidator of colaba land mills Ltd vs V.M Deshpande**	The assessment procedures are not affected by winding up procedures of the companies act	Supreme Court
203	Assessment Procedures	**Modi Corporation ltd**	Completion of assessment in the name of the amalgamating company after amalgamation is got through is null and void	Supreme Court
204	Assessment Procedures	**Sivaswami Chettiar**	When assessee has appeared for proceedings for enquiry but has not submitted any account books Best Judgement assessment under section 144 is valid	Madras
205	Assessment Procedures	**Motorola Inc**	If No return is filed till due date as per section 139(1) it can be said income as escaped assessment but Ao cannot proceed assessment under section 147 till time allowed under section 139(4) expires	Supreme Court
206	Assessment Procedures	**J.p Bajpai Huf**	Change of Opinion cannot be basis of reopening assessment unders section 147	Supreme Court
207	Assessment Procedures	**Nedungadi Bank**	Reopening of assessment on the basis of decisions of higher court can be done if within the time prescribed under law	Cochin
208	Assessment Procedures	**McDermott International**	Information relating to position of law available through the verdict of the higher authority could not be such failure on the part of assess which paves way for reassessment	uttranchal
209	Assessment Procedures	**Sesa Goa Ltd**	Information relating to position of law available through the verdict of the higher authority could not be such failure on the part of assess which authorises authority to reopen the assessment	Bombay
210	Assessment Procedures	**Nizam Family Trust**	No Reassessment proceedings can be intimated so long assessment proceedings pending on the basis of return of income filed are not terminated	Supreme Court
211	Assessment Procedures	**V.T Rajendran**	Report of departmental valuation officer as to cost of construction of property cannot be ground for reopening assessment	Madras
212	Assessment Procedures	**Transworld International Inc**	Audit party views would not constitute reason for issue of notice under section 148	Supreme Court
213	Assessment Procedures	**Sheth Bros**	The validity of assessment proceedings as to be judged with the material available with the officer at the time of issue of notice under section 148 and cannot be sought to be substantiated by reference to material that may have come to light subsequently in the course of reassessment proceedings	Guj
214	Assessment Procedures	**Fisher Xomox Sanmar Ltd**	The validity of assessment proceedings as to be judged with the material available with the officer at the time of issue of notice under section 148 and cannot be sought to be substantiated by reference to material that may have come to light subsequently in the course of reassessment proceedings	Madras
215	Assessment Procedures	**Arihant Industrial Ltd**	143(2) and 154 simultaneously not possible	P&H
216	Assessment Procedures	**Shree Baidyanath Ayurved Bhawan Ltd**	Rectification to treat certain amount shown by assessee as trade discount as commission for TDS in not justified	Cal
217	Assessment Procedures	**Varindra Construction**	Where assessing officer while framing assessment under section 143 (3) considered explanation of the assessee and after applying his mind allowed higher rate of depreciation successor assessing officer cannot invoke 154 to recomputed depreciation	asr
218	Assessment Procedures	**Packers India Ltd**	What the AO cannot do under section 143(1) cannot be done by him using 154	Ahd
219	Penalties	**S.H Sopariwala**	When Accountant left the service without finalising the accounts and new accountant who joined caused delay in finalising the accounts and getting it audited under section 44AB it is not a fit case for penalty under section 271B	Ahd
220	Penalties	**Hindustan Coca cola Beverages P Ltd**	Nowhere it has been said that penalty under section 271C cannot be levied if assessee has paid the tax which is short deducted	Delhi
221	Penalties	**Mitsui & co Ltd**	When assessee had not deducted tax at source based on the opinion on its international legal cell for making payments to the non resident ,penalty cannot be levied	Delhi

222	Penalties	**Dex travel P Ltd**	Penalty cannot be levied if the subject matter whether or not to deduct tax is a matter of dispute	Delhi
223	Penalties	**Wipro GE Medical Systems**	Penalty cannot be levied if the tax had already been paid by the recipient	bang
224	Penalties	**Santhosh Kumar Jain**	Ignorance of Law is not an excuse for provisions of section 269SS and 269T	Indore
225	Penalties	**Lala murari lal & Sons**	When Entries are made in books for deposits accepted by not yet received then section 269SS does not apply	Luck
226	Penalties	**Balaji Traders**	When Assessee borrowed a cash loan for a genuine purpose and if reasonable cause for borrowing is proven penalty cannot be levied	Madras
227	Penalties	**ARK Corporation**	When assessee had deducted tax at source but did not issue certificates within time limits it does not pave way for penalty	Delhi
228	Penalties	**Union of India VS Dharmendra Textile Processors**	Mens Ria is not essential for section 271(1) C Penalty	Supreme Court
229	Penalties	**Anatharam Veerasinghaiah & Co**	Where assessee had been assessed income in the preceding previous years and where additions were made in those years, subsequently in later years it is possible to take a view that deposits, receipts are only due to previous additions, but it is subject to explanation 2 of 271(1) C. It is observed that the secret profits or undisclosed income of an assessee earned in an earlier assessment year, commonly described as intangible additions, are also the real income of the assessee. Therefore, the assessee can explain the unexplained investment etc. of the current year to have been met out of intangible additions made in the past.	Supreme Court
230	Penalties	**Adichetty Suravel Chetty**	Penalty under section 271(1) C is discretionary in nature	Madras
231	Penalties	**MKS Constructions P Ltd**	Section 43B disallowance is not concealment of income	
232	Penalties	**Selvi J Jayalalitha**	Section 278E is constitutionally Valid	Madras
233	TDS	**Director of State Lotteries**	Unclaimed/Un distributed Prize money is not a winning from lottery and hence not subject to tax deduction at source under section 194B	Gauhati
234	TDS	**Markfed Khanna Branch**	when assessee purchases pre-printed packing material from the manufacturer for packing, no raw material is supplied to manufacturer and hence it is not a works contract covered under section 194C	P&H
235	TDS	**Haryana Power Corporation Ltd**	When assessee raises common purchase order for Machinery which includes work such as Installation/erction,such work alone is covered for 194C	Delhi
236	TDS	**Kerala Stamp Vendor Association**	Stamp Vendor Commission is not subject to TDS under section 194H	ker
237	TDS	**Reebok India**	Security deposit adjustable frequently with the rent is subject to TDS under section 194 I	Delhi
238	TDS	**United airlines**	Parking fees paid to airport authorities is subject to TDS under section 194 I	Delhi
239	TDS	**Bharti cellular Ltd**	The expression technical services in section 9 includes only services provided by human element and not by machine or robot	Delhi
240	TDS	**Dr.Willmar Schwabe India P Ltd**	Reimbursement of expenses if presented to client separately will not subject to TDS	Delhi
241	TDS	**Dell International Services India (P) Ltd**	Availing of facility provided by Service Provider through its network/ circuits, there is no usage of equipment by applicant; rather it is a case of service provider utilizing its own network and providing a service that enables applicant to transmit voice and data through telecom bandwidth and, therefore, payment made by applicant to service provider cannot be brought within definition of "Royalty "under Explanation 2 to clause (vi) of section 9(1) or under article 12 of Treaty -	AAR
242	TDS	**Bharti cellular Ltd**	Port Charges paid to MTNL/BSNL are not covered under section 194J	Delhi
243	TDS	**Hutchison Telecom East Ltd**	Port Charges paid to MTNL/BSNL are covered under section 194J	Cal
244	TDS	**Satellite Television Asian Region Ltd**	Payment made to non resident within India or outside India both are covered under section 195	Bombay

245	TDS	**Dr.Hutarew & Partner (India) (p) Ltd**	Unless specific exemption is available certificate from assessing officer must be obtained under section 195(2)	Delhi
246	TDS	**Vodafone International Holdings BV Vs Union of India**	When Controlling interest of a foreign company (having tangible & Intangible assets in India) is transferred to another foreign company ,the latter company also acquired other interest and intangibles rights that have origin in India. A Transaction of such type would envisage a liability to tax in India and corresponding liability upon tax payer to withhold tax on capital payment	Bombay
247	TDS	**Capt J.G Joseph**	Where assessee had been deducted tax at source by his employer, whereas the employer had not furnished TDS certificate to the assessee, the dept cannot deny credit nor ask for any payment to be made by the assessee	Bombay
248	TDS	**Hindustan Coca cola Beverages P Ltd**	Tax cannot be demanded from the deductor of Tax if the recipient had already paid tax on the receipts	
249	Appeals & Revisions	**Shakti Clearing Agency**	When there is no part of delay on the assessee for filing an appeal to the first appellate authority and the delay caused is due to tax consultant engaged by the assessee the delay may be condoned	Rajkot
250	Appeals & Revisions	**Jagadish raj Chauhan**	Section 249(4) does not mandate payment of Interest under section 234A,234B or234 C	
251	Appeals & Revisions	**Sardari Lal & Co**	CIT Appeals cannot discover new sources of Income	Delhi
252	Appeals & Revisions	**Elel Hotels & Investments Ltd**	Commissioner Appeals cannot do what the Assessing Officer cannot do	Bombay
253	Appeals & Revisions	**Jayakumar B Patil**	Order which is under subject matter of appeal cannot be revised under section 263	Supreme Court
254	Appeals & Revisions	**Seshasayee Paper & Boards Ltd**	For making revision under section 263 the commissioner must record an express finding that order sought to be revised is erroneous and prejudicial to the interest of revenue	Supreme Court
255	Appeals & Revisions	**Asia Resorts Ltd**	If the commissioner disclosed one or more grounds in the notice but revises the order on a entirely different ground not disclosed to the assessee that order cannot be sustained	chan
256	Appeals & Revisions	**G.M Mittal steels Private Ltd**	Where the decision of the assessing officer is based on the jurisdictional high court decision which was operative at the time of order,subsequent judgement of supreme court against his decision cannot make his order erroneous	Supreme Court
257	Appeals & Revisions	**Jubilant Organosys**	The commissioner under section 263 can revise order whether it is mistake of law or fact	All
258	Appeals & Revisions	**Hindustan Aeronautics Ltd**	In section 264 the commissioner cannot revise order which is under appeal, even though relief claimed under revision is different from relief claimed with tribunal, This is referred as Total Merger Vs Partial Merger	Supreme Court
259	Appeals & Revisions	**Dwarak Nath**	Orders revised under section 264 cannot be appealed against under the income tax act,since there is no provision to appeal, but writ petition can be filed against under article 226	Supreme Court
260	Appeals & Revisions	**Narang Overseas P Ltd**	Where the stay petition was granted beyond 180 Days and not dismissed after 360 days by the tribunal, it is not legitimate to vacate the stay which was not caused due to action of the assessee. Since the stay can be vacated beyond 360 days only if the delay is not attributable the Tribunal **Note: This Judgement was Quashed since the amendment in Finance act 2008, inserted the words the stay shall stand vacated whether or not the delay is caused by the assessee**	Supreme Court
261	Appeals & Revisions	**Champa lal Chopra**	Normal rectification under section 254 cannot be recalling the whole order, only on exceptional circumstances it may be allowed	Rajastan
262	Appeals & Revisions	**Dynavision Ltd**	The tribunal is bound to consider judgements of high court or supreme court even if the judgement was not available at the time of Initiation of rectification proceedings under section 154	Madras
263	Appeals & Revisions	**Shriram Transport Finance Company Ltd**	Unless or otherwise tribunal takes a extremely different view to any case it is bound to consider any high court judgement irrespective of the jurisdiction	Madras
264	Appeals & Revisions	**RM Arunachalam**	A Different issue not raised in the high court cannot be raised in the supreme court for the first time	Supreme Court

265	Appeals & Revisions	**Standard motor Products Of India Ltd**	If the high court does not consider it as a fit case for appeal to the supreme court, then the assessee can only approach the higher court by filing an special leave petition	Madras
266	Appeals & Revisions	**Moon light Builders & Developers Ltd**	Revenue cannot pick and challenge case for further litigation. Having accepted on one decision, it cannot subsequently challenge on same case or different case with identical facts	Delhi
267	Appeals & Revisions	**Berger Paints India Ltd**	If revenue had not challenged the correctness of law laid down by the high court ,it is not open for the revenue to challenge the correctness in another case without just cause Note: This judgement was quashed by inserting the section 268A where statutory limits for appealing are laid down, if the appeal was not made even though the limit was well a above the limits prescribed then only this judgement shall valid, else the cannot	Supreme Court
268	Transfer Pricing	**Development Consultants Private Ltd**	Global Method of Valuation is not permitted while computing Arms Length Price, It should be done on a transaction basis	cal
269	Transfer Pricing	**TCN Menon**	Opportunity to hear must be given to assessee by the assessing officer under section 92C(3) before computing arms length price based on the information available with him	Ker
270	Transfer Pricing	**Aztech Software & Technology Services Ltd**	Where assessee did not the comply with Statutory Provisions regarding maintenance of records, The tax authorities can compute arms length price based on the information they posess ,since burden of proving is now shifted to assessee	bang
271	Assessment of HUF	**K.S Subbiah Pillai**	Where an HUF is the a partner in a firm through its Kartha and if the Kartha has received any remuneration from the firm because of his special aptitude for his business of the firm and for services rendered by him to the firm and if the remuneration is earned not on account of any detriment to the joint family assets.then such remuneration is earned not on account of any detriment to the joint family assets, then such remuneration received kartha is not taxable under the hands of HUF	Supreme Court
272	Assessment of HUF	**Gowli Buddanna**	There need not be more than one male member to form a HUF as a taxable entity	Supreme Court
273	Assessment of HUF	**Seth Govind ram Sugar Mills**	The HUF can be a partner in a firm through its Kartha Only	Supreme Court
274	Assessment of HUF	**Narendranath N.V**	There need not be more than one male member to form a HUF as a taxable entity	Supreme Court
275	Assessment of HUF	**Bagyalakshmi & Co**	Partial Partition will not effect to determine whether a duly constituted partnership firm can be assessed as firm,wherin the HUF partially Partitioned formed a Partnership with a firm	Supreme Court
276	Assessment of HUF	**R.Shridharan**	Where coparancer marrys a female according to special marriages act he is deemed to be legally separated from the family	Supreme Court
277	TDS	**CIT v. K. Thangamani**	where the assessee has filed bogus TDS certificates and collected refund from the Income-tax Department, income received by the assessee by getting refund from the Income-tax Department is taxable under the residuary head Income from other sources .	Madras
278	Capital Gains	**CIT v. D. Ananda Basappa**	Exemption under section 54 is available on sale of a residential house be extended to the extent of investment in two flats, if such flats were combined to make one residential unit	Karnataka
279	PGBP	**CIT v.Gujarat Guardian Ltd.**	Tax treatment of pre-payment premium paid by the assessee-company to IDBI for restructuring its debt, it can be claimed as Revenue expenditure	Delhi

280	PGBP	**CIT v. Insilco Ltd**	Depreciation under section 32 allowable in respect of emergency spares of plant and machinery, which though acquired during the previous year, have not been put to use in that year	Delhi
281	Capital Gains	**CIT v. Smt. Laxmidevi Ratani**	The action taken by the assessee in giving up her right to claim the property amounts to transfer as defined in section 2(47) of the Incometax Act, 1961	MP
282	section 69	**CIT v. Star Builders**	Reference can be made to the Valuation Officer for the purpose of sections 55A, 131, 133(6) and 142(2) but not for the purpose of finding out the cost	Guj
283	PGBP	**Radha Krishna Jalan v. CIT**	A sub-partnership which is in receipt of the share of profit of a partner in the main partnership, has to be deemed to be a partner in the main partnership for the limited purpose of section 10(2A)	Gauhati
284	Trust	**Shri Dhakad Samaj Dharamshala Bhawan Trust v. CIT**	The High Court held that though provision had been made for charging a token amount from persons belonging to the Dhakad Samaj, the charges for stay in the case of persons not belonging to the Samaj were many times the charges for persons belonging to the Samaj. Merely because the accommodation created was in a religious place, it could not be said that providing dharamshala was for religious purposes. There should be something more to suggest its nexus with the religious or charitable purpose. It might not be with the intention to make money, but at the same time it did not fulfil the requirement of section 11. The assessee-trust was not entitled to registration.	MP
285	Trust	**Director of Income-tax v. Mitsui and Co. Environmental Trust**	It is not necessary for the assessee-trust to specify in Form No. 10 the purpose for which the accumulation of money is sought to be made	Delhi
286	Trust	**CIT v. Sengunthar Thirumana Mandapam**	The failure to use the accumulated funds for any other charitable purpose, by itself, would not divest the assessee of the right to claim exemption under sections 11 and 12AA. The mere fact that the assessee submitted the returns for the assessment years 1998-99 and 1999-2000 admitting the income as business income would not take away the rights of the assessee to claim the benefit of exemption, as there could not be any estoppel against section 11. The assessee was entitled to exemption under section 11	Madras
287	Salaries	**CIT v. D. P. Kanodia**	Reimbursement of medical expenditure incurred outside India cannot be considered as an amenity or benefit provided by a company to its director	HC
288	Income from House Property	**CIT v. Neha Builders P. Ltd.**	The rental income received from any property in the construction business cannot be claimed under the head of 'Income from property' even though the said property was included in the closing stock and expenses on maintenance were debited to the profit and loss account	HC
289	Income from House Property	**Keyaram Hotels P. Ltd. v. ACIT**	Income from lease of a property by company can be assessable as income from house property	Madras
290	PGBP	**CIT v. United Cardamom Auctioneers**	The amount collected as sales-tax but not paid over to the sales tax department and outstanding under the respective heads at the end of the accounting year is includible in the assessee's total income under section 43B	ker