Important Judgements:

Nitin Shantilal Muthiyan Vs *Deputy* Commissioner of Income-tax Ahmednagar ----- ITAT PUNE

For claiming deduction under section 80E, there is no such stipulation u/s.80E of the I.T. Act that the education should be in India only.

Had there been such an intention by the legislature it would have been definitely and specifically mentioned as had been mentioned in section 11 of the I.T. Act which provides that any income or property held for charitable purposes is exempt from tax u/s.11(1)(a) only to the extent it is applied in India.

Therefore, if the legislature wanted education in India itself for availing of the deduction, the legislature would have specifically stated so in the section itself.

Commissioner of Income-tax-1, Kochi Vs P V S Memorial Hospital Ltd.

High Court of Kerala

The expression "tax deductible at source under Chapter XVII-B" occurring in section 40(a)(ia) has to be understood as tax deductible under the appropriate provision of Chapter XVII-B. Therefore, if tax is deductible under section 194J but is deducted under section 194C, the requirements of section 40(a)(ia) are not satisfied. A deduction under the wrong provision of law will not save the assessee from disallowance u/s 40(a)(ia).

Prabhat Construction Company *Vs* Commissioner of Income-tax

ITAT PATNA

The estimation of income upon rejection of the assessee's accounts as not reliable for assessment of income u/s.145(3) is to be made transparently, in two steps. The first being toward assessment of commercial profits, and then again the specific allowances or disallowances that stand to be effected, as u/s.40(a)(ia), an artificial, statutory disallowance.

The assessment of income even under the estimation regime is of the total income under the Act and not of the business profit alone, and which could only be upon considering the applicability or otherwise in the facts of the case of all the relevant provisions of law, to which section 40(a)(ia) is or cannot be any exception.