# significant case laws

## Direct Tax Laws - CA(Final) - Nov, 2013

This case law tracking sheet enables the reader to locate commentary on specific provisions. Opposite to each case law **an issue involved along with page numbers** highlighted in the text at which the relevant commentary appears.

| | Case law | Year | Held | Issue involved | Page |
|---|---|---|---|---|---|
| ➔ | Amit Jain | 2013 | Del | Treatment of the income fell under some other head | 32 |
| ➔ | Bhartia Industries Ltd | 2013 | Cal | Circular is in conflict with the law of the land | 25 |
| ➔ | Celetronix Power India P. Ltd. | 2013 | Bom | Penalty u/s. 271(1) (c) | 32 |
| ➔ | Court On Its Own Motion | 2013 | Del | Strict guidelines to end Department harassment | 52 |
| ➔ | Credit Suisse First Boston (Cyprus) Ltd. | 2013 | Bom | Consideration received in respect of sale of securities | 207 |
| ➔ | Crescent Export Syndicate | 2013 | ITAT | Section 40(a)(ia) applies to all expenses | 155 |
| ➔ | Dixon Technologies (I) (P.) Ltd. | 2013 | ITAT | Air conditioner, DVD, microwave are 'manufacture' | 175 |
| ➔ | Dewan Chand Satyapal | 2013 | Del | Facilities provided by a diagnostic centre | 171 |
| ➔ | Great City Manufacturing Co. | 2013 | All | Remuneration is within the limits prescribed u/s 40(b)(v) | 179 |
| ➔ | Groz Beckert Asia Ltd. | 2013 | P&H | Corporate membership fees | 16 |
| ➔ | Hardayal Charitable & Educational Trust | 2013 | All | Registration u/s 12AA for exemption u/s 11 and 12 | 192 |
| ➔ | I.C.D.S. Ltd. | 2013 | SC | Section 32 reference to ownership and usage for business | 83 |
| ➔ | Jitendra Singh Rathore | 2013 | Raj | Penalty proceedings u/s 271D | 101 |
| ➔ | Jananamandal Ltd | 2013 | All | Books cannot be rejected without pointing out specific defects | 106 |
| ➔ | Pardesi Developers and Infra Pvt. Ltd. | 2013 | Del | Notice u/s. 148 is not established even ex facie | 35 |
| ➔ | Rassi Cement Ltd. | 2013 | AP | Purpose should determine the nature of the receipt | 16 |
| ➔ | Right Florists Pvt. Ltd | 2013 | ITAT | A website does not constitute a 'permanent establishment' | 204 |
| ➔ | Shri Ram Honda Power Equipment Ltd | 2013 | SC | Cenvat credit is allowable expenditure u/s 37 | 106 |
| ➔ | Spectrum Consultants India (P) Ltd | 2013 | Kar | Contribution under EPF & ESI Act before 139(1) due date | 110 |
| ➔ | S.P. Suguna Seelan | 2013 | Mad | The incentive scheme of the NSC is not a lottery | 16 |
| ➔ | Supreme Agro Foods Private Ltd | 2013 | P&H | Consideration means independent examination of the evidence | 58 |
| ➔ | UTI Bank Ltd. | 2013 | Guj | Reasonableness of the expenditure has to be adjudged | 35 |

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| ➔ | SREI Infrastructure Finance Ltd. | 2012 | Del | Approved scheme by court u/s 391of the Companies Act | 122 |
| ➔ | Steel Authority of India Ltd. | 2012 | Del | 43(1) covers only a case of subsidy, grant or reimbursement | 86 |
| ➔ | Sundaram Finance Ltd. | 2012 | SC | Contingent deposit from its customers | 82 |
| ➔ | Swarnagiri Wire Insulations Pvt. Ltd. | 2012 | Kar | Set off of depreciation on windmill | 171 |
| ➔ | Tata International Ltd | 2012 | ITAT | Supply of reasons belatedly render order invalid | 35 |
| ➔ | Tecnimont ICB Private Limited | 2012 | ITAT | ALP comparison with uncontrolled transactions | 207 |
| ➔ | Telco Dadajee Dhackjee Ltd | 2012 | ITAT | Decision of the third member order is not a final order | 52 |
| ➔ | Topman Exports | 2012 | SC | Excess of the DEPB is his profits on transfer of the DEPB | 82 |
| ➔ | Triumph International Finance (I.) Ltd | 2012 | Bom | Repayment of loan by passing book adjustment entries | 102 |
| ➔ | Triveni Engg. & Industries Ltd. | 2012 | Del | Security deposits given to the landlord | 16 |
| ➔ | Vandana Properties | 2012 | Bom | Size of the plot of land minimum 1 acre u/s 80-IB | 173 |

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| ➔ | B. Raveendran Pillai | 2011 | Kar | Depreciation is allowable on goodwill | 84 |
| ➔ | Bharat Gears Ltd. | 2011 | Del | Outlived machinery treatment | 83 |
| ➔ | Cable Corporation of India Ltd. | 2011 | Bom | WDV is fair market value in case of scrap of an asset | 86 |
| ➔ | Chiranjjeevi Wind Energy Ltd. | 2011 | Mad | Manufacture refers bringing new goods by a process | 172 |
| ➔ | Gavin Nagar Sugar Ltd | 2011 | Del | Carrying forward of unabsorbed depreciation | 26 |
| ➔ | H. K. Buildcon Ltd | 2011 | Guj | Reassessment subject to fulfillment of certain precondition | 37 |
| ➔ | Indcom | 2011 | Cal | Non-resident match referees are professionals | 161 |
| ➔ | ITC Hotels Ltd | 2011 | Kar | Expenditure for issue convertible debenture | 99 |
| ➔ | Jagatjit Industries Ltd | 2011 | Delhi | The nature of receipts determines the source of funds | 16 |
| ➔ | K.G.Rukminiamma | 2011 | Kar | Joint development agreement with builder | 127 |
| ➔ | Kisan Sahkari Chini Mills Ltd | 2011 | All | Incentive for capital employed | 16 |
| ➔ | Lachman Dass Bhatia Hingwala (P) Ltd. | 2011 | Del | Tribunal inherent power of review | 51 |
| ➔ | Manjoo and Co. | 2011 | Ker | Unsold lottery tickets cease to be stock-in-trade | 135 |
| ➔ | Meghalaya Steels Ltd. | 2011 | Gau | Direct nexus with the manufacturing activity | 172 |
| ➔ | Modi Industries ltd | 2011 | Del | Demolition and re-erection of a cell room | 82 |
| ➔ | Parle Plastics Ltd | 2011 | Bom | Substantial part of the business u/s 2(22) (e) | 140 |
| ➔ | Praveen B. Gada (HUF) | 2011 | MP | Penalty u/s. 271(1)(c) | 33 |
| ➔ | Praveen Soni | 2011 | Del | Claim for deduction u/s 80-IB | 172 |
| ➔ | Priya Village Road shows Ltd. | 2011 | Del | Feasibility study conducted for examining proposals. | 99 |
| ➔ | Rajiv Shukla | 2011 | Del | Computation of capital gain in case of depreciable asset | 130 |
| ➔ | Ranbaxy Laboratories Ltd | 2011 | Del | The word 'such income' used u/s 147 | 37 |
| ➔ | Rollatainers Ltd | 2011 | Del | Waiver of term loan principal and interest element | 103 |
| ➔ | S. Ambika | 2011 | Ker | Abkari licence is a business right | 85 |

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| ➔ | Shanthi Bhushan | 2011 | Del | Whether Heart is considered as plant and machinery | 82 |
| ➔ | Shree Balaji Alloys | 2011 | J&K | Refund of excise duty and grant of interest subsidy | 16 |
| ➔ | Shree Mahalaxmi Transport Co | 2011 | Guj | Transportation of building material | 160 |
| ➔ | Subhash Kumar Jain | 2011 | P&H | Order on an agreement cannot give rise to grievances | 49 |
| ➔ | Tulip Star Hotels Ltd. | 2011 | Del | Aim of formation of subsidy company | 96 |
| ➔ | Vodafone Essar Cellular Ltd | 2011 | Ker | Discount given on supply of SIM cards | 159 |

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|---|---|---|---|---|---|
| ➔ | Assam Mineral Development Corp. Ltd. | 2010 | Gau | Section 234B,234C is an integral part of assessment | 31 |
| ➔ | Bhavecha Machinery and Others | 2010 | MP | The term willful used u/s 276CC | 25 |
| ➔ | DCM Ltd. | 2010 | Del | Closure of one textile mill unit | 99 |
| ➔ | Dolat Investment Ltd | 2010 | Mum | Access to confidential information by ITA | 57 |
| ➔ | Dr. Aswath N. Rao | 2010 | Kar | Date of sale transaction was complete | 84 |
| ➔ | East India Hotels Ltd. | 2010 | Bom | The term carrying out any work extend only to services | 158 |
| ➔ | Hindustan unilever ltd | 2010 | Bom | Date of payment is relevant criteria for deposit | 130 |
| ➔ | Hindustan Zinc Ltd | 2010 | Raj | Expenditure for alteration of the dam | 99 |
| ➔ | Indersons Leather P. Ltd | 2010 | P&H | Raising of a debatable issue not concealment of income | 33 |
| ➔ | Jaswand Sons | 2010 | P&H | Sale of export incentive u/s 80-IB | 172 |
| ➔ | Lodhi Property Company Ltd | 2010 | Del | Avoid genuine hardship in case delay in filing return | 25 |
| ➔ | Millennia Developers (P) Ltd | 2010 | Kar | Regularization fee for violating building bye-laws | 99 |
| ➔ | Navin Jindal | 2010 | SC | Renunciation of right to subscribe for additional shares | 117 |
| ➔ | Nestor Pharmaceuticals Ltd. | 2010 | Del | 80-IB deduction is available even during trail run | 172 |
| ➔ | Reliance Petro Products Pvt. Ltd. | 2010 | SC | Details supplied by the assessee in its return are incorrect | 33 |
| ➔ | Saurashtra Cement Ltd. | 2010 | SC | Compensation for sterilization of the profit earning source | 16 |
| ➔ | T.R.F. Ltd. | 2010 | SC | Bad debts are written off as irrecoverable in the accounts | 97 |
| ➔ | Vijay Kumar Jain | 2010 | Chhat | Information given in the return is found to be incorrect | 33 |
| ➔ | Yamaha Motor India Pvt. Ltd. | 2010 | Del | Depreciation on discarded machinery | 84 |

## ABBREVIATION USED IN ABOVE CITATION

| Short Form | Abbreviation |
|---|---|
| AAR | Authority for Advance Ruling |
| AP | Andhra Pradesh |
| All | Allahabad |
| Bom | Bombay |
| Cal | Calcutta |
| Chhat | Chhattisgarh |
| Del | Delhi |
| Gau | Gauhathi |
| Guj | Gujarath |
| HP | Himachal Pradesh |

| Short Form | Abbreviation |
|---|---|
| ITAT | Income Tax Appellate Tribunal |
| J&K | Jammu and Kashmir |
| Ker | Kerala |
| Kar | Karnataka |
| Mad | Madras |
| MP | Madhya Pradesh |
| Ori | Orissa |
| P&H | Punjab & Haryana |
| Raj | Rajasthan |
| SC | Supreme Court |

## NOVEMBER 2013 EXAMINATION

Direct Tax Laws – Quick Insight The Highlights of the Book are

- For the first time MULTI-COLOUR presentation for the subject Direct Tax Laws
- Finance Act, 2012 along with recent Circulars, Notifications and Citations up to 30 April, 2013 have been incorporated. Relevant for November 2013 examination.
- Track sheet for significant case laws (2013, 2012, 2011, 2010) to act as a ready refresher before the day of examination
- Every section is independently dealt without diluting the concepts
- Use of simple language without going into complex legal terms, handy for practioners also
- Majority of the sections have operative words, which must be used without interchanging with another word. All such operative words are highlighted in bold letters for easy identification and quick recapitulation
- Useful for all professional students, Finance Professionals who are dealing in Direct Taxes, and who have time constraint in reading voluminous books
- Lucid explanation of case laws
- Special issues such as provisions relating to International taxation, double taxation and transfer pricing are presented in a friendly manner
- Challenging areas such as assessment procedure, search and seizure, appeals & revision and Settlement Commission are dealt with methodically
- The book has been compiled with the help of many qualified professionals to bring out the entire syllabus in **just 230 pages** along with illustrations.