

LL.B. VI Term

Paper – LB – 604 – Taxation Laws

Prescribed Legislation :

1. The Income Tax Act, 1961
2. The Central Excise Act 1944
3. The Customs Act 1962
4. Goods and Services Act 2016

Prescribed Book :

1. Vinod K. Singhanian & Kapil Singhanian, *Taxmann's Direct Taxes – Law & Practice*
2. Girish Ahuja & Ravi Gupta, *Direct Taxes – Law and Practice*

Topic 1: Introduction

Definition of Income [Section 2(24)] – Capital Receipt v. Revenue Receipt - Tests to distinguish (with special reference to 'Salami'); Assessee; Previous Year (section 3); Assessment year; Basis of charge (Receipt, Accrual, and Arisal); General Scheme of Income Tax Act, 1961

1. *CIT v. G.R. Karthikeyan*, 1993 Supp (3) SCC 222 00
2. *Maharaja Chintamani Saran Nath Sah Deo v. CIT* (1971) 2 SCC 521 00

Topic-2 : Agricultural Income – Meaning of Agricultural Income [Section 2(1A), 10(1)]

3. *Bacha F. Guzdar v. C.I.T., Bombay*, AIR 1955 SC 74 00
4. *C.I.T. v. Benoy Kumar Sahas Roy*, AIR 1957 SC 768 00
5. *C.I.T. v. Maddi Venkatasubbayya* (1951) XX ITR 151 (Mad.) 00
6. *C.I.T. v. H.G. Date* (1971) 82 ITR 71 (Bom.) 00
7. *K. Lakshmanan & Co. v. C.I.T.* (1999) 239 ITR 597 (SC) 00

Topic-3 : Residence and Scope of Total Income

Tests for the determination of residential status of Assessee (section 6); Total income of assessee (sections 4 and 5); Income deemed to accrue or arise in India (section 9); Incidence of tax varies with residential status of an assessee?

8. *V.V.R.N.M. Subbayya Chettiar v. C.I.T.*, AIR 1951 SC 101 00
9. *Narottam and Parekh Ltd. v. CIT, Bom. City*, AIR 1954 Bom. 67 00
10. *Vodafone International Holdings B.V. v. Union of India (UOI) and Anr.*, (2012)6SCC613 00

Topic-4 : Heads of Income (Sections 14-59)

Heads of Income (section 14), Rationale; Heads, whether mutually exclusive

Head A : Salaries (Sections 15 to 17) – Chargeability - Meaning of Salary; Perquisites; Profits in lieu of salary

11. *Ram Pershad v. C.I.T.* (1972) 2 SCC 696 : AIR 1973 SC 637
12. *C.I.T. v. L.W. Russel*, AIR 1965 SC 49

Head B : Omitted by the Finance Act, 1988 with effect from 1-4-1989]

Head C : Income from House Property (Sections 22 to 27) - Ingredients of section 22 - Annual Value how to be determined - Deductions under section 24 - Deemed owner (section 27)

13. *C.I.T., West Bengal v. Biman Behari Shaw, Shebait*
(1968) 68 ITR 815 (Cal.) 00
14. *East India Housing & Land Development Trust Ltd. v. C.I.T.*
(1961) 42 ITR 49(SC) 00
15. *R.B. Jodhamal Kuthiala v. C.I.T.*, AIR 1972 SC 126

Head D : Profits and Gains of Business and Profession (Sections 28 to 44) –Applicability - Deductions - Bad debts

16. *B.D. Bharucha v. C.I.T.*, AIR 1967 SC 1505 00
17. *C.I.T. v. Mysore Sugar Co. Ltd.*, AIR 1967 SC 723 00

Business Expenditure – Allowability - Tests of distinctions between Business expenditure and Capital expenditure [section 37(1)]

18. *Empire Jute Co. v. C.I.T.*, AIR 1980 SC 1946 00
19. *L.B. Sugar Factory & Oil Mills(P.) Ltd. v. C.I.T.*,
AIR 1981 SC 395 00
20. *Bikaner Gypsums Ltd. v. C.I.T.*, AIR 1991 SC 227 0
21. *C.I.T. v. General Insurance Corporation*, 2007 (1) SCJ 800 0

Head E: Capital Gains (Sections 45 to 55) – Definition of capital assets [section 2(14)]; Short term capital assets [section 2(42A)]; Short term capital gains [section 2(42B)]; Long term capital assets and Long term capital gain [section 2(29A) and 2(29B)]; Meaning of ‘Transfer’[section 2(47)]; computation (section 45); Transactions not amounting to transfer (sections 46 and 47); Mode of computation (section 48); Meaning of ‘adjusted’, ‘cost of improvement’ and ‘cost of acquisition’(section 55)

22. *N. Bagavathy Ammal v. C.I.T., Madurai*, JT 2003 (1) SC 363 00

Head F: Income from Other Sources (Sections 56 to 59)

23. *C.I.T. v. Rajendra Prasad Moody* (1978) 115 ITR 519 (SC) 00

Topic 5 : Income of Other Persons included in Assessee's Total Income

(Sections 60 to 64) - concept of clubbing of income – justifiability - throwing of separate property into the common stock of Joint Hindu Family and subsequent partition of the same section 64(2)

24. *Philip John Plasket Thomas v. C.I.T.*, AIR 1964 SC 587 00
 25. *Batta Kalyani v. Commissioner of Income Tax*
 (1985) 154 ITR 59
 26. *J.M. Mokashi v. Commissioner of Income Tax*
 (1994) 207 ITR 252 (Bom)
 27. *Mohini Thapar v. C.I.T.* (1972) 4 SCC 493

Topic 6 : Set Off, Carry Forward and Set off of Losses
(sections 70, 71, 71A 71B, 72, 72A, 73, 74, 74A)

28. *Rajasthan R.S.S. of Ginning Mills Fed. Ltd. v. Dy. CIT Jaipur* (2014) 363 ITR 564 (SC) 00

Topic 7 : Assessment – Best Judgment Assessment; Income escaping assessment
(Sections 139, 142, 143, 144, 145(3), 147, 148, 149, 150, 151 and 153)

29. *State of Kerala v. C. Velkuty* (1966) 60 ITR 239 (SC) 00
 30. *C.I.T. v. Burlop Dealers Ltd.* (1971) 79 ITR 609 (SC) 00
 31. *The Income Tax Officer v. Lahkmani Mewal Das*
 (1976) 3 SCC 757 00
 32. *Srikrishna (P) Ltd. v. Income-Tax Officer* (1996) 9 SCC 534 00

Topic 8 : Indirect Taxes

- a) Overview of Central Excise Act 1944
 b) Overview of Customs Act 1962
 c) Overview of Goods and Services Act 2016

* * * * *



LL.B. VI Term

Taxation Laws

Cases Selected and Edited by

Belu Gupta Arora

Kiran Bala

Rahul Kumar

FACULTY OF LAW
UNIVERSITY OF DELHI, DELHI-110007
January, 2017