

I. T. MIRROR

Mouth piece of Income Tax Bar Association

This silver jubilee is a celebrative milestone in the journey of our vision.

In tune
with tomorrow....

Silver Jubilee



years

INCOME TAX BAR ASSOCIATION

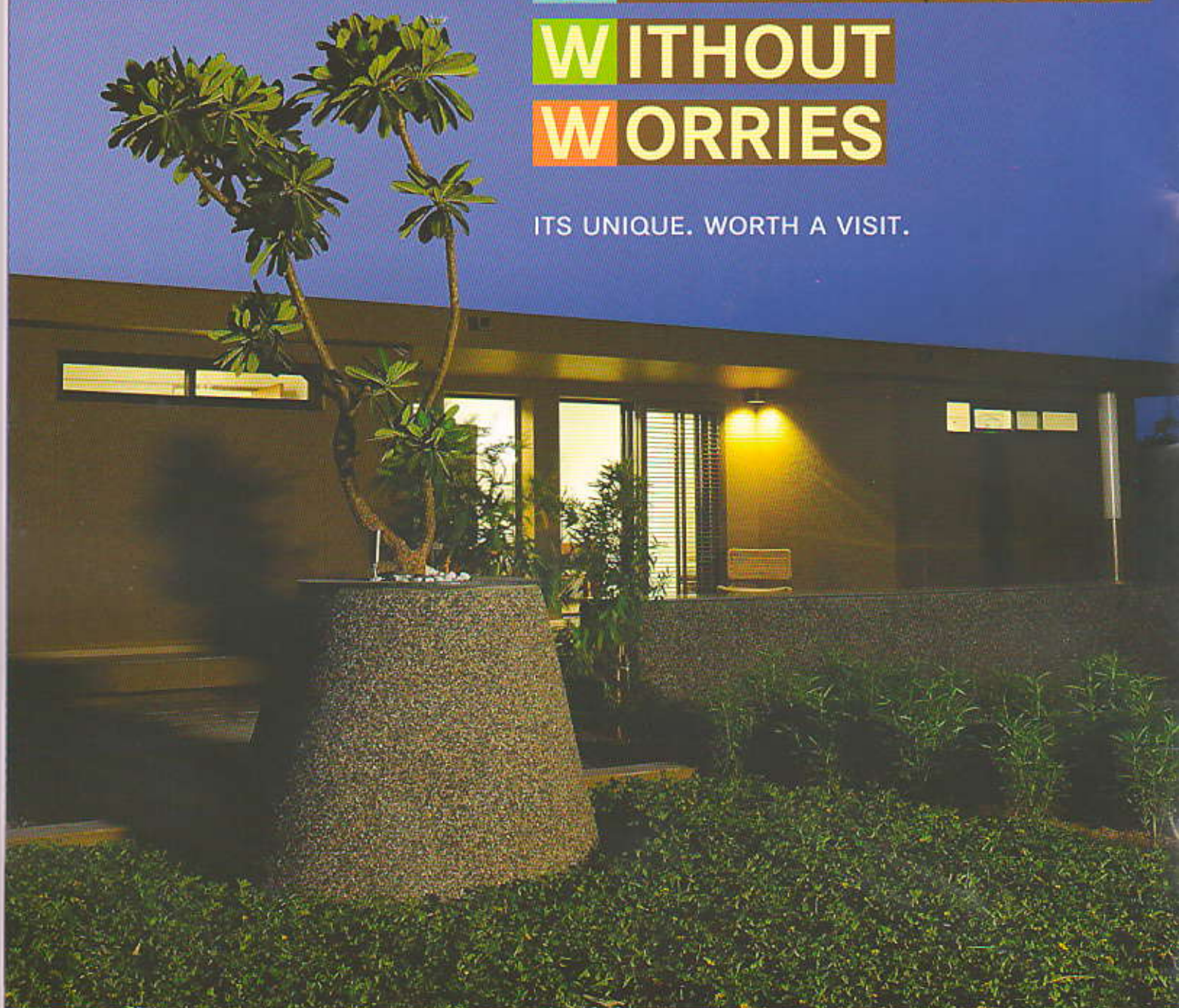
Aaykar Bhavan, Navrangpura, Ahmedabad-380 009. Tel. : No. : 2754 6665 Ext. 7507



SURYAM.IN

WEEKEND HOME WITHOUT WORRIES

ITS UNIQUE. WORTH A VISIT.



PLOTS : 1000 SQ.YDS & ABOVE

STUDIO, 1 BHK, 2 BHK
SAMPLE VILLAS READY

Office : Suryam, B-101, Shivalik Business Centre
B/h Rajpath Club, Bodakdev, Ahmedabad 54

9033 11 6666 ■ 9033 11 7777

SURYAM
repose
WEEKEND HOMES

EXPERIENCE THE PEACEFUL PAUSE OF LIFE

SITE : NR GREATER THOL



Volume : 02
Part - III
Month : February 2015
Activity Year - 2014-15



I. T. MIRROR

Mouth piece of Income Tax Bar Association

Hiren R. Vakil
Chairman

Pramod N. Popat
Co - Chairman

MEMBERS

CA Chandrakant H. Pamnani
Rupang R. Shah

OFFICE BEARERS

Rupesh R. Shah
President

Ronak R. Sheth
Vice President

Mrudang H. Vakil
Hon. Secretary

Apal K. Shah
Hon. Jt. Secretary

Chandrakant T. Thakkar
Hon. Treasurer

MANAGING COMMITTEE

Jignesh A. Bhagat (I.P.P.)

Amit I. Shah

CA. Gaurav S. Ganjwala

Hetal B. Shah

Narendra D. Karkar

Shalin N. Parikh

Shital M. Shah

Subhash P. Awtani

CA. Vaikunth R. Gopani

INVITEE MEMBER

Snehal K. Thakkar

CONTENTS

2 PRESIDENT'S & HON. SECRETARY WRITES...

3 MESSAGE FROM THE CHAIRMAN'S DESK

4 ARTICLE :
ISSUES ON SCRUTINY ASSESSMENT
- CA Mukesh Khandwala

10 ARTICLE :
ANALYSIS OF SECTION 56(2)(VIIB) AND
PROVISO TO SECTION 68 R.W.S.
SECTION 115BBE OF THE INCOME TAX ACT
- CA. Niren M. Nagri

16 PROUD MOMENT

17 ARTICLE :
ISSUES UNDER CURRENT DISPUTE
- Tej D. Shah - Advocate

23 COMPILATION OF RECENT GUJARAT HIGH
COURT DECISIONS
- Tushar P. Hemani - Advocate

32 JURISDICTION CHART OF CASES AS
RE-STRUCTURED W.E.F. 15-11-2014
OF AHMEDABAD, BHAVNAGAR,
SURENDRANAGAR, GANDHINAGAR,
MEHSANA, TDS & EXEMPTIONS

46 JURISDICTION & LOCATION OF
CIT (APPEALS) - DETAILS



President Writes.....



Rupesh R. Shah
President

Respected Members,

Very Happy and prosperous New Year 2015

It is a matter of great pride & privilege that during this year we are publishing 3rd Issue of "I.T.Mirror" in time.

For the first time in the history of Income Tax Bar Association we organized "COLOUR OF COURT" 12 Lecture series jointly with HLIC, Ahmedabad University. Started from 16th December-2014 ended on 24th January 2015.

At the outset, I extend my special thanks to our Past President Shri Hirenchai R. Vakil for suitably suggesting the title of lecture series on Income Tax Law in "Colour of Courts"

All the participants enriched themselves with the colour spread over by the courts to the income tax Statute. Association had received a phenomenon response from

the members and we had invited 12 eminent faculty of Ahmedabad City as paper writer as well as speaker for the above series. All the speakers had given their paper well in advance and therefore we were able to publish souvenir comprising of all the papers.

The above series was inaugurated by the DGIT(In)-Gujarat State Shri. Shushil Chandra Saheb as chief Guest and in Valedictory we had invited hon'ble Mr. Justice Shri.D.A.Mehta Ex-judge of Gujarat High Court as chief guest.

In Valedictory session we had honoured all the chairman's of various sub-committees.

I am thankful to all my office bearers and committee member and invitee members for making this "Colour of Court" Series a grand success.

Thanks

My Dear Member,

At I.T. Bar, we believe that it is Vital to nourish the intelligence of each member so that it will help them to fight out their case before the authorities.

"A well formed mind is better than just a well filled one". With a view to achieve the above endeavour, the association jointly with H.L.I.C. organized a Carnival of lecture series on Income Tax Law in colour of Courts for 40 days comprising of twelve class-room study.

I can say with immense pride that association has earned a name for itself amongst members and faculties as well.

PLACE: AHMEDABAD

DATE: 3-2-2015

- MRUDANG H. VAKIL
(Hon. Secretary)

Email Id :- vakilmrudang@hotmail.com



The 'Knowledge Camp' was first of its kind over a period of long 68 years.

The series also ensure the relation bridge with H.L.I.C. – a Premier Institution for undergraduate studies in Gujarat.

The Educational Programme shall always remain our primary concern and aim.

Looking forward for your elated spirits and enthusiasm in terms of academy in the time to come.



CHAIRMAN'S MESSAGE

Committed to I.T. BAR's growth story



Hiren R. Vakil

Chairman

My Dear Esteemed Members,

It gives me immense pleasure in greeting you all, a happy, prosperous and healthy happy New Year. It is a matter of great pleasure for me to write to you that second issue of 'I.T. Mirror' for activity year 2014 – 2015 was unveiled by worthy hands of Mr. Sushilchandra DGIT(Inv.) on December 16, 2014. On the day of launching of Lecture Series on 'Income Tax Law in colour of courts'.

Honourable Shri Sushilchandra was much impressed and publicly acknowledged with the quality of 'I.T. Mirror' in every respect.

By the time when this edition of 'I.T. Mirror' will be on your table, Honourable the Finance Minister Mr. Arun Jetly presented the Union Budget 2015. There are too many expectations from Modi's Government. A lot of responsibility also lies on the shoulder of Finance Minister. He has the ability to deal with the same. A new hope has arise in the common man. And to my mind, this is the biggest significance of the future growth of India. To fulfill the expectations of the people of India, Budget is the time for new hope and strength.

Time has come that Honourable the Finance Minister will give a road map towards the debates, discussions and implementation of GST. It is also the time to make Laws on a simple footing, easily understandable and fair enough to comply the same. This budget may meet with people's need rather than their greed or aspirations.

Coming to my Job regarding food to chew in this edition, we have invited the skill of learned personalities to pen down.

- I. CA Mukesh Khandawala – Practicing Chartered Accountant and Past President of C.A. Association focus down on the burning subject of 'Issue on scrutiny Assessment'. He explained the issues under the head 'Salary Income', Income from House Property, and Income from Other Sources.
- II. CA Niren M. Nagari who happened to be the president of C.A. Association as first President of 21st Century tried to share his views on the subject 'Analysis of Section 56(2)(viib) and proviso to section 68 r/w section 115BBE of the Income Tax Act, 1961'.
- III. Mr. Tej Deepak Shah Advocate covered 'Issues under Current Dispute. The author is kind enough to deal with issues under the head 'Business Income' and 'Capital Gain'.
- IV. My dear friend Lexpert Tushar P. Hemani spared his valuable time to make out the gist of as many as 33 decisions of recent unreported judgment of Honourable the Gujarat High Court.
- V. We have also given compilation of Jurisdiction of cases re – structured w.e.f. 15/11/2014 including jurisdiction of CIT(Appeals) for the benefit of members.

*It is our endeavour that;
Life laughs at you when you are unhappy,
Life smile at you when you are happy but
Life salutes you when you make other happy.*

We look forward to your continued feedback

With warm regards,

Date :- 13-2-2015

Hiren R. Vakil
Chairman

INTRODUCTION



CA Mukesh Khandwala

We as professionals are fully aware that as the dead line for time barring assessment comes closer, we receive various notices from Income Tax department. As the time is short, the Assessing Officers are reluctant to give adequate time to the assessee and professionals to comply with the notices. However, this being an annual feature of our profession, we are also getting ready to face all such notices issued by the Income Tax Department. We are also aware that within the given time the assessee has to comply with all the requirements of scrutiny assessment. If all the proper compliance or evidences are not submitted to the satisfaction of assessing officer, unwarranted high-pitch assessment order is passed which leads to undue litigation and also gives rise to huge demand. Subsequently the Assessing Officers pressurize the assessee to pay it.

Keeping the above in background, I have tried to address some of the aspects of scrutiny assessment and its legal status so that one can avoid unwarranted addition.

SCOPE

Some of the topics of scrutiny assessment, other than Income from Business and Profession and Capital Gains have been covered below:

- I. Notices u/s 142(1), u/s 143(2) and u/s 144 of IT Act
- II. Income from Salary
- III. Income from house property
- IV. Income from other sources

I. NOTICES

Normally once the notice is received by assessee, we start preparing the details or approach the assessing

officers to ask for adjournment if the assessment is not time barred. However, one needs to verify the section under which the notice is issued and validity of such notices.

(i) Notice u/s 142(1) of IT Act:

Notice u/s 142(1) of I.T. Act can be issued under the following circumstances:

- a. Notice is issued to furnish the return of income if the same is not filed before issue of notice. If the assessee has already filed the return of income as stated in the notice, he should immediately give reply to the Assessing Officer stating the fact and enclosing copy of acknowledgement so that notice is squashed.
- b. If the assessee has filed the return of income, then Assessing Officer can issue notice to produce such accounts or documents as may be required by him. It may be noted that Assessing Officer has power to call for accounts for a period of three years preceding the relevant accounting year. **Krishna Mohan Bank v/s ITO 232 ITR 339 (GAU)**
- c. Willful failure to produce the accounts or documents as required by Assessing Officer would be punishable u/s 271(1)(b) r.w.s. 273B of IT Act and lead to Best Judgment Assessment u/s 144 of IT Act.
- d. Willful failure to furnish a return in due time is an offence punishable u/s 276CC of IT Act. Recently, Income Tax department has issued notices under this section to late filers.

e. A notice u/s 142(1) has to be issued to the assessee. When a notice is issued in the name of deceased and thereafter an order is passed for non compliance, then order is not valid as held in **Smt. Sudha Prasad v/s CIT 275 ITR 135 (Jharkhand)** In such circumstances the Assessing Officer is allowed to complete the proceedings after giving opportunity to legal heirs of deceased. The

a. Assessing Officer can issue fresh notice to legal heirs only if the time for issuance of such notice still exists.

(i) Notice u/s 143(2) of IT Act:

a. The assessing officer can issue notice u/s 143(2) of IT Act only after return is filed.

b. Notice u/s 143(2) can be issued within six months of completion of financial year in which return is filed.

c. Notice u/s 143(2) of IT Act gives right to the assessee to produce any documents or evidence related to the assessment on which he relies upon. Therefore, it is advisable for the assessee to produce all the relevant documents or evidences in compliance of notice u/s 143(2) of IT Act. It is the normal tendency of the assessee to give minimum information or documents considering the fact that it will be furnished only if specifically asked by assessing officer. In such cases, it may happen that if assessee produces certain evidences before CIT(Appeals) which are not produced before Assessing Officer, CIT(Appeals) may not entertain it on the plea that it is a subsequent evidence. Similarly if the matter is with ITAT, then it really matters which are the evidences furnished by the assessee during the assessment proceeding.

d. The notice u/s 143(2) is mandatory for assessing officer. The assessment will be null and void if the notice u/s 143(2) is served beyond the period of limitation as held in **DCIT**

v/s Maxima Systems Ltd. 344 ITR 204(GUJ)

Where the assessee filed its return of income on 29th November, 1995 and notice was issued on 29th November, 1996, but was served on assessee on 2nd December, 1996. Notice having served after the expiry of 12 months from the end of month in which the return was furnished, it was held that the Assessing Officer had no jurisdiction to frame the assessment.

CIT VS Mukesh Kumar Agrawal 345 ITR 29(ALLAHABAD)

Where it was held that Assessing Officer must necessarily issue notice u/s 143(2) within the time prescribed in Act. Requirement of notice u/s 143(2) can not be dispensed with.

e. Non-compliance with notice u/s 143(2) of Income Tax Act. cannot be cured u/s 292B of Income Tax Act. **CIT v/s AVI-OIL India Pvt. Ltd. 323 ITR 242 (P&H)** wherein it was held that non-compliance of notice u/s 143(2) cannot be curable u/s 292B on the plea that it is a defect in service of notice.

f. The notice u/s 143(2) of IT Act must be served at the address mentioned in the return of income. In case if the notice is returned undelivered and the assessment order is passed, then the order is invalid. **CIT v/s Egbal Singh Sindhan 304 ITR 177 (DEL)** Also in case where the assessee files an affidavit that he has not received any notice, the burden is on department to show such notice was duly served. Hence, the argument that notice is deemed to be received on the date of issue of notice shall be deemed to be the date of service is not valid. However, the provisions of General Clause Act will have to be considered. Further where the notice is served by affixing it at the premises of the assessee on last date is also not a valid notice.

Notice u/s 142(1) v/s u/s 143(2) of Income Tax Act

The notice u/s 142(1) may be issued even before the return is filed whereas the notice u/s 143(2) can be issued only after the return is

filed. U/s 143(2) the assessee may produce such evidence as he pleases or elect not to produce any evidence at all, whereas u/s 142(1) the assessee must produce the documents or accounts required by Assessing Officer.

(iii) Notice u/s 144 of IT Act:

The notice u/s 144 of IT Act can be issued in following circumstances:

- a. Where the return u/s 139 of IT Act is not filed.
- b. Where the assessee fails to comply with notice u/s 142(1) or 142(2A) of IT Act.
- c. Where the assessee fails to comply with notice u/s 143(2) of IT Act.
- d. Further before passing the Best Judgment Order, it is mandatory for the Assessing Officer to give show cause notice and provide opportunity to the assessee. Assessing Officer has to observe the principle of natural justice in case of best judgment order.

To summarize, it is very important to verify the validity of any notice received from the department before proceeding with submission of details. Once the assessee or authorized representative appears and gives written submission, then it is difficult to claim that the notice is not received or received beyond time.

II. INCOME FROM SALARY

It is a common practice that the assessee and professionals who are filing salary income returns take the things lightly and do not pay appropriate attention while filing these returns. However, when such salary return is selected for scrutiny, it is experienced that there are many shortcomings in the return filed with the department. Some of the issues arising during the scrutiny assessments of salary return are addressed below:

(i) Documents for salary income

Now a days due to online filing of return, the

assessee do not bother to preserve the important documents which he is supposed to maintain, which are:

- a. Salary / TDS certificate in Form no. 16 from the employer. If the assessee has served more than one employer during the year, then salary certificate from each employer is required.
- b. If the assessee is receiving any perquisite from the employer and his annual salary is more than Rs. 1.5 lakhs, then he must obtain Form no. 12BA from his employer.

(ii) Allowance claimed exempt u/s 10(14) of IT Act

Generally the assessee claims certain allowances as exempt u/s 10(14) of IT Act based on the salary certificate issued by the employer. It is very important to note that assessee has to prove that particular allowance which is shown as exempt in salary certificate is actually exempt by law. In case of wrong claim, the employer may be punishable for lower deduction of tax at source and nothing more than that. Whereas in assessee's case wrong claim of exemption will increase the tax liability with interest and may be visited with penalty also. Therefore, it is for the assessee to take care to verify whether the allowance which is claimed exempt is correct or otherwise. Therefore, the assessee or professionals should take adequate care in claiming exemption.

- a. It is a settled law that exemption claimed u/s 10(14) of IT Act is on the basis of actual expenditure incurred by the assessee. In other words, any allowance which is claimed as exempt the assessee must have adequate proof to be produced before assessing officer to prove that the expenditure is actually incurred by him.
- b. Transport Allowance @ Rs. 800 p.m. is available as exempt to the employee. But if the employer has provided vehicle to the employee the said

allowance is not exempt.

- c. Allowance for books and magazines is allowable only to those employees who spend on educational and research training pursuits in educational and research institution work relating to their employment. The amount spent on other magazines or newspapers is not eligible for exemption.
- d. Highly paid employees get substantial Attire Allowance. This allowance is given to senior level employees who need to wear presentable costumes and accessories like Suit, Jacket, Tie, etc. However, care should be taken to verify that the amount of Attire Allowance is in reasonable proportion to the salary of the employee.
- e. Some employees hire car driver and claim deductible expenditure of driver's salary from salary income. This is a highly debatable issue. The issue is whether the driver is helping "for" performance of duty or "in" performance of duty. If the driver is helping "in" performance of duty the same will be allowable as exemption.

In order to claim the exemption u/s 10(14) of IT Act the assessee must retain all the proofs of actual expenditure incurred by him and accordingly sufficient withdrawal should have been made by the assessee from his salary income.

(iii) House Rent Allowance (HRA)

Assessee for claiming HRA must obtain receipt of actual rent paid if the HRA exceeds Rs. 3,000 per month. If the annual rent paid by the assessee exceeds Rs. 1 lakh per annum, the PAN of land lord must be obtained by the assessee. If the employee is having own or rent free accommodation, no HRA deduction is allowable.

(iv) Leave Travel Concession (LTC)

An employee is eligible for LTC for two times in block of four years. Now a days people prefer to

go out of India on vacation. Employees produce all evidences of their foreign tour and avail LTC. It may be noted that as per Income Tax Act the LTC is eligible for exemption if the employee has travel to any place in India and not out of India. Recently the Income Tax department has started issuing notices to the employees who have claimed their foreign tour as exempt LTC.

(v) Keyman Insurance

W.e.f. IT AY 2014-15, the amount received by employee from Keyman Insurance is taxable even if it is with or without consideration.

(vi) General

During the proceedings of scrutiny assessment, it is experienced that if the employee is not maintaining his books of account for all his income, then Assessing Officer will ask for the bank pass-book for last several years to verify the other transactions/income like share trading, etc. The Assessing Officer may also ask for the passport to verify foreign tour and related expenses. Therefore, it is advisable to maintain books of account at least for those assessee who draw substantially high salary income.

III INCOME FROM HOUSE PROPERTY

The tax on income from house property is based on "Annual Value" of the property. The annual value of the property is Nil if the assessee occupies it for own residence or it is used for the purpose of business. Where the property is let-out, the rent received/receivable is the annual value of the property.

(I) Annual Value of Property

Determination of annual value of property is very important in cases where the property is neither occupied by owner nor it is used for business and also the property does not fall into criteria of NIL value. Section 23(1) provides that "Annual value of any property shall be deemed to be the sum for which the property might reasonably be expected to let from year to year"

A question arises about how to calculate the amount of rent which reasonably the property may fetch. During the scrutiny assessment, the determination of notional rent creates lots of issues. The reasonable rent of a property depends upon so many factors like locality, age of property, infrastructure facilities available nearby etc. The act also does not provide any straight jacket formula to calculate notional rent. On the given set of facts, the determination of notional rent becomes very subjective. Some of the appellate authorities have suggested that in such cases the help of Rent Control Act should be taken. It is therefore suggested that in case where the Assessing Officer intends to determine exorbitant notional rent, the assessee should work out the notional rent on the basis of Rent Control Act.

(ii) Interest on Borrowed Capital

Interest on borrowed capital for the purpose of acquisition of property is available to the assessee with a ceiling limit of Rs. 1.5 lakhs (w.e.f. AY 2014-15 Rs. 2 lakhs)

Interest paid on borrowed capital during the construction period is also eligible for deduction in 5 equal yearly installments. Also interest on fresh loan utilized in repaying the original loan taken for specific purpose would be equally deductible. Where the property is owned by co-owners u/s 26 of IT Act, the interest paid by each co-owner is deductible with separate ceiling limit of interest u/s 24 of IT Act.

(iii) Arrear/unrealized rent

Arrear of rent will be taxed in the year in which rent is received. The standard deduction of 30% is available on such arrear rent. Unrealized rent which is realised in subsequent year is taxable in the year under which it is received.

(iv) Rent – Income from Property v/s Business Income

In a given set of facts sometimes a question may arise whether the rent income is income from house property or business income. Since specific head of charge is provided for income from ownership of house property, rent income from ownership of house property cannot be

brought to tax under any other head.

The Supreme Court in **East India Housing & Land Development Trust Ltd. v/s CIT** held that even if the Company is incorporated with the object of promoting and developing market, it was assessable under income from house property and not as business income. Where a building was treated as stock in trade and shown as closing stock in balance sheet, and only a portion of property was being let out, the income derived from the property would not be treated as business income. **CIT vs New Builders (P) Ltd. 296 ITR 661 (GUJ)**. Where the assessee lets out property when the business has come to a close or when he intends to close his business, the property used in business previously now let out, the rent income is income from property. **Merchandising Product of India VS CIT 293 ITR 618 (P&M)**. But when there is a temporary closure of business, the rent income is business income. **CIT vs Kohinoor Tobacco Products (P) Ltd. 283 ITR 162 (MP)**.

I INCOME FROM OTHER SOURCES

This being residual head of income chargeable to tax, any income which is though taxable under the Act but does not fall within specific head of income, is chargeable of tax under this head.

(i) Method of Accounting

Under the Income Tax Act, method of accounting is important for 'Income from other sources'. Unfortunately assesses do not pay much attention to the method of accounting. The Income Tax Act also prescribes the Accounting Standard u/s 145 for income from other sources. The said provisions require that an assessee may choose to have cash basis or mercantile basis of accounting on regular basis. Meaning thereby, the assessee is not permitted to change method of accounting on year to year basis. If the Assessing Officer is not satisfied with the correctness of method of accounting followed by assessee, the Assessing Officer can pass Best Judgment Order u/s 144 of IT Act.

(ii) **Incomes to be included**

Apart from several sources of income which are included under this head, following are specific sources of income which require to be addressed in detail:

- a. Employees contribution to PF & ESI if not paid to authorities within due date as prescribed under respective Act.
- b. Income from letting of plant, machineries and furniture alongwith building which is insperable and if it is not changeable to income tax under the head "income from business and professional".
- c. Any sum received under keyman insurance policy.
- d. Any individual or HUF receives
· any sum of money without consideration in excess of Rs. 50,000
· any specified property without consideration or with inadequate consideration.

The above referred amount is not to be included in individual or HUF income, if it is received from certain persons including relatives as provided in law.

One of such exclusion is amount received for 'relative'. The exhaustive definition is given by explanation under the Act. It is important to note that in case of a HUF, the amount received from any member of family is excluded. Therefore, if an individual receives any sum from Huf of which he is member, the same is not exempt. However, in case of **Vineetkumar Bhalodia v/s ITO ITAT Rajkot bench** has decided that the same is exempt in the hands of individual on the ground that the HUF from which the gift is received is a gift given by the group of relatives collectively.

- e. W.e.f IT AY 2015-16 any amount forfeited against transfer of capital asset is chargeable under this head. Previously such amount was

required to be deducted from the cost of capital asset u/s 51 of IT Act.

(iii) **Deduction under Income from other sources**

Out of several deduction available from income from other sources the following are important deductions which assessee can claim:

In case where assessee receives income from letting of furniture or plant with or without building he can claim

- Expenditure for rent, rates, repairs and insurance for building as envisaged in sec 30 of IT Act
 - Current repairs and insurance of plant and machineries as envisaged in sec 31 of IT Act
 - Depreciation as envisaged u/s 32 of IT Act.
- a. Out of family pension income Rs. 15000 or 1/3 of family pension whichever is less.

- b. In following circumstances, the expenditure is not allowable u/s 57(iii) of IT Act:

The under lying principle for calming any deduction from income from other sources is that the expenses must have been incurred exclusively for earning that income. In case of **CIT vs Vaikundam Rubber Co. 241 ITR 500(Ker)** it is held that interest paid on over draft taken against FDR is not allowable under this section as the interest on FDOD is not paid for earning interest on fixed deposits. However, readers may also go through the recent ITAT decision of Agra Bench in the case of **Rajkumari Agarwal v/s DCIT ITA No. 176/Agra/2013** where the assessee favourable view is taken based on peculiar facts of the case.

- Interest paid on overdue interest of principal amount for assessee's failure is also not deductible.
- Any payment of interest outside India without making TDS is also not allowable as deduction.



CA. NIREN M. NAGRI.

1. Clause (viib) has been inserted after Clause (viia) in sub-section(2) of Section 56 of the Income Tax Act, 1961 (the Act) by the Finance Act, 2012 with effect from 1.4.2013 and will accordingly apply in relation to AY 2013-14 and subsequent assessment years. The provisions of this new Section 56(2)(viib) of the Act are briefly stated as under:-

- [i] Recipient of the consideration is a company, not being a company in which the public are substantially interested as per Section 2(18) of the Act.
- [ii] The company receives consideration for issue of shares (preference shares or equity shares).
- [iii] The consideration received is from a resident person.
- [iv] The consideration received for issue of shares exceeds the face value of such shares. In other words, shares are issued at a premium.
- [v] If the above four conditions are satisfied, the aggregate consideration received for such shares as exceeds the Fair Market Value of the shares shall be chargeable to income tax in the hands of recipient company, u/s 56(2)(viib) of the Act under the head "Income from Other Sources".
- [vi] The above provisions are not applicable in the following two cases (Exceptions) :-
 - a. where the consideration for issue of

shares is received by a venture capital undertaking from a venture capital company or a venture capital fund; or
b. where the consideration for issue of shares is received by a company from a class or classes of persons as notified by the Central Government.

[vii] The Fair Market Value of the shares shall be higher of the value-

- a. as may be determined in accordance with the method given in Rules 11U and 11UA of the Income-tax Rules; or
 - b. as may be substantiated by the company to the satisfaction of the Assessing Officer, based on the value of its assets, including intangible assets, being goodwill, know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature.
2. The above provisions may be easily understood with the help of the following illustrations.

ABC Private Limited is a company in which public are not substantially interested. In May 2014, the company issued 1000 shares to Mr. A, 5000 shares to Mr. B and 10,000 shares to Mr. C. These shares are issued in one of the following situations.

Situation No.1

Shares are issued at par. The provisions of Section 56(2)(viib) are applicable only when shares are issued at a premium. Consequently, nothing is taxable under the head "Income from Other Sources" in the hands of the company u/s. 56(2)(viib) of the Act.

Situation No.2

Shares are issued at a discount i.e. at Rs.8. The provisions of Section 56(2)(viib) are applicable only when shares are issued at a premium. Consequently, nothing is taxable under the head "Income from Other Sources" in the hands of the company u/s. 56(2)(viib) of the Act.

Situation No.3

Shares are issued at a premium. The total consideration per share (Face Value plus Premium) is Rs.30/-. The Fair Market Value of each share determined u/s. 56(2)(viib) of the Act is Rs.35/-. As the Fair Market Value is higher than the consideration received, nothing will be taxable under this Section.

Situation No.4

Fair Market Value per share is Rs.36/-. The total consideration received is Rs.40/- per share. The excess consideration of Rs.4/- per share will be taxable in the hands of the company if the following two conditions are satisfied.

[a] The company is a company in which the public are not substantially interested u/s. 2(18) of the Act in the previous year 2014-15.

[b] The consideration is received from persons who are residents in India for the previous year 2014-15.

In Situation No.4, Rs.64,000/- will be taxable in the hands of the company under the head "Income from Other Sources" u/s. 56(2)(viib) of the Act in AY 2015-16. (number of shares issued to Mr.A=1000, to Mr. B=5000 and to Mr. C=10000. Total shares 16000 @ Rs.4 per share = Rs.64000/-). But suppose, Mr. C is a non resident, the amount taxable in the hands of the company under this

Section will be only Rs.24,000/-. In other words, excess consideration received from a non resident shareholder Mr. C will not be taxable u/s. 56(2)(viib) of the Act. Further, supposing Mr. C was never in India up to May 2014 (month in which shares are issued), but he comes to India in August, 2014 (i.e. after issue of shares to him) for 182 days. He will be resident in India. Therefore, amount taxable in the hands of the company u/s. 56(2)(viib) of the Act will be increased to Rs.64,000/-.

Subsequent to issue of shares, if ABC Private Ltd. is converted into a public limited company (ABC Ltd.) and goes for a public issue of the shares, which are then listed on a recognized stock exchange w.e.f. 1st March, 2015, ABC Ltd. will become a company in which the public are substantially interested, as per the provisions of Section 2(18) of the Act for the previous year 2014-15. Consequently, nothing will be taxable u/s. 56(2)(viib) of the Act even in Situation No.4 mentioned above.

It may be clarified here that in Situation No.4, the excess consideration received in May 2014 is held to be taxable in the hands of the company, is only for understanding the basic provisions of the new Section without considering the effects of Explanation (a) to Section 56(2)(viib) of the Act and Rules 11U and 10UA of the I.T. Rules, which are dealt with hereinafter.

It may further be clarified that in all the above situations 1 to 4, it is quite possible that the amount received from shareholder becomes chargeable to tax in the hands of ABC Pvt. Ltd. under the amended provisions of Section 68 of the Act which are dealt with hereinafter.

3. Simultaneous Amendment in Section 68 and insertion of Section 115BBE.

(a) SECTION 68 : CASH CREDITS

Where any sum is found credited in the books of an assessee maintained for any previous year, and the

assessee offers no explanation about the nature and source thereof or the explanation offered by him is not, in the opinion of the Assessing Officer, satisfactory, the sum so credited may be charged to Income-tax as the income of the assessee of that previous year.

Proviso added by Finance Act, 2012 w.e.f. Assessment Year 2013-14.

Provided that where the assessee is a company, (not being a company in which the public are substantially interested) and the sum so credited consists of share application money, share capital, share premium or any such amount by whatever name called, any explanation offered by such assessee-company shall be deemed to be not satisfactory, unless -

xxxxxxxxxx

Provided further that nothing contained in the first proviso shall apply if the person, in whose name the sum referred to therein is recorded, is a venture capital fund or a venture capital company as referred to in clause (23FB) of Section 10.

[b] Further the new Section 115BBE has been introduced by the Finance Act, 2012 which provides as under:-

1. Where the total income of an assessee includes any income referred to in section 68, section 69, section 698A, section 69B, section 69C or section 69D, the income-tax payable shall be the aggregate of-

[a] the amount of income-tax calculated on income referred to in section 68, section 69, section 69A, section 69B, section 69C or section 69D, **at the rate of thirty per cent;** and

[b] the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the amount of income referred to in clause (a). (Normal tax rate

on the balance income).

2. Notwithstanding anything contained in this Act, no deduction in respect of any expenditure or allowance shall be allowed to the assessee under any provision of this Act in computing his income referred to in clause (a) of sub-section (1).

4. Finance Bill, 2012 – Background of Insertion of a new clause (viib) in Section 56(2) and Proviso to Section 68 of the Act.

The insertion of clause (viib) in Section 56(2) and proviso to Section 68 have been classified under the heading **“Measures to Prevent Generation and Circulation of Unaccounted Money”**. The extract of Object Memorandum describing these provisions is as under:-

(a) Share Premium in excess of the Fair Market Value to be treated as Income

Section 56(2) provides for the specific category of incomes that shall be chargeable to income-tax under the head “Income from other sources”.

It is proposed to insert a new clause in section 56(2). The new clause will apply where a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person being a resident, any consideration for issue of shares. In such a case if the consideration received for issue of shares exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares shall be chargeable to income-tax under the head “Income from other sources.” However, this provision shall not apply where the consideration for issue of shares is received by a venture capital undertaking from a venture capital company or a venture capital fund.

Further, it is also proposed to provide the company an opportunity to substantiate its claim regarding the fair market value. Accordingly, it is proposed that the fair market value of the shares shall be the higher of the value-

- (i) as may be determined in accordance with the method as may be prescribed; or
- (ii) as may be substantiated by the company to the satisfaction of the Assessing Officer, based on the value of its assets, including intangible assets, being goodwill, know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature.

This amendment will take effect from 1st April, 2013 and will, accordingly, apply in relation to the assessment year 2013-14 and subsequent assessment years.

(a) Cash Credits under Section 68 of the Act.

Section 68 of the Act provides that if any sum is found credited in the books of an assessee and such assessee either

- (i) does not offer any explanation about nature and source of money; or
- (ii) the explanation offered by the assessee is found to be not satisfactory by the Assessing Officer, then, such amount can be taxed as income of the assessee.

The onus of satisfactorily explaining such credits remains on the person in whose books such sum is credited. If such person fails to offer an explanation or the explanation is not found to be satisfactory then the sum is added to the total income of the person. Certain judicial pronouncements have created doubts about the onus of proof and the requirements of this section, particularly, in cases where the sum which is credited as share capital, share premium etc.

Judicial pronouncements, while recognizing that the

pernicious practice of conversion of unaccounted money through masquerade of investment in the share capital of a company needs to be prevented, have advised a balance to be maintained regarding onus of proof to be placed on the company. The Courts have drawn a distinction and emphasized that in case of private placement of shares the legal regime should be different from that which is followed in case of a company seeking share capital from the public at large.

In the case of closely held companies, investments are made by known persons. Therefore, a higher onus is required to be placed on such companies besides the general onus to establish identity and credit worthiness of creditor and genuineness of transaction. This additional onus, needs to be placed on such companies to also prove the source of money in the hands of such shareholder or persons making payment towards issue of shares before such sum is accepted as genuine credit. If the company fails to discharge the additional onus, the sum shall be treated as income of the company and added to its income.

It is, therefore, proposed to amend section 68 of the Act to provide that the nature and source of any sum credited, as share capital, share premium etc., in the books of a closely held company shall be treated as explained only if the source of funds is also explained by the assessee company in the hands of the resident shareholder. However, even in the case of closely held companies, it is proposed that this additional onus of satisfactorily explaining the source in the hands of the shareholder, would not apply if the shareholder is a well regulated entity, i.e. a Venture Capital Fund, Venture Capital Company registered with the Securities Exchange Board of India (SEBI).

This amendment will take effect from 1st April, 2013 and will, accordingly, apply in relation to the assessment year 2013-14 and subsequent years.

(c) The definition of "Income" as laid down in Section 2(24) of the Act is also amended by the Finance Act, 2012 by inserting a new clause(xvi)

"2(24)(xvi) : any consideration received for issue of shares as exceeds the fair market value of the shares referred to in clause (viib) of sub-section(2) of Section 56."

- (d) It came to the notice of the Government that some of the closely held companies were issuing shares at

a substantial premium to convert the unaccounted money without providing any valuation justifying the premium. The amendment hits such unjustified hefty premium and the excess is being taxed as income in the hands of the company. Thus, the provisions of Section 56(2)(viib) are applicable in the context of shares issued by a closely held company to a resident shareholder and not to shares issued to non-residents.

With a view to safeguard the genuine investment by bonafide companies, it is provided that this clause will not apply to:

- (i) a venture capital undertaking receiving the consideration for issue of shares from a venture capital company or a venture capital fund; and
 - (ii) a company receiving the consideration from a class or classes of persons as may be notified by the Central Government in this behalf.
2. Notwithstanding anything contained in this Act, no deduction in respect of any expenditure or allowance shall be allowed to the assessee under any provision of this Act in computing his income referred to in clause (a) of sub-section (1).

4. **Finance Bill, 2012 – Background of Insertion of a new clause (viib) in Section 56(2) and Proviso to Section 68 of the Act.**

The insertion of clause (viib) in Section 56(2) and proviso to Section 68 have been classified under the heading **“Measures to Prevent Generation and Circulation of Unaccounted Money”**. The extract of Object Memorandum describing these provisions is as under:-

(a) **Share Premium in excess of the Fair Market Value to be treated as Income**

Section 56(2) provides for the specific category of incomes that shall be chargeable to income-tax under the head “Income from other sources”.

It is proposed to insert a new clause in section 56(2). The new clause will apply where a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person being a resident, any consideration for issue of shares. In such a case if the consideration received for issue of shares exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares shall be chargeable to income-tax under the head “Income from other sources.” However, this provision shall not apply where the consideration for issue of shares is received by a venture capital undertaking from a venture capital company or a venture capital fund.

Further, it is also proposed to provide the company an opportunity to substantiate its claim regarding the fair market value. Accordingly, it is proposed that the fair market value of the shares shall be the higher of the value-

- (i) as may be determined in accordance with the method as may be prescribed; or
- (ii) as may be substantiated by the company to the satisfaction of the Assessing Officer, based on the value of its assets, including intangible assets, being goodwill, know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature.

This amendment will take effect from 1st April, 2013 and will, accordingly, apply in relation to the assessment year 2013-14 and subsequent assessment years.

(a) Cash Credits under Section 68 of the Act.

Section 68 of the Act provides that if any sum is found credited in the books of an assessee and such assessee either

- (i) does not offer any explanation about nature and source of money; or
- (ii) the explanation offered by the assessee is found to be not satisfactory by the Assessing Officer,

then, such amount can be taxed as income of the assessee.

The onus of satisfactorily explaining such credits remains on the person in whose books such sum is credited. If such person fails to offer an explanation or the explanation is not found to be satisfactory then the sum is added to the total income of the person. Certain judicial pronouncements have created doubts about the onus of proof and the requirements of this section, particularly, in cases where the sum which is credited as share capital, share premium etc.

Judicial pronouncements, while recognizing that the pernicious practice of conversion of unaccounted money through masquerade of investment in the share capital of a company needs to be prevented, have advised a balance to be maintained regarding onus of proof to be placed on the company. The Courts have drawn a distinction and emphasized that in case of private placement of shares the legal regime should be different from that which is followed in case of a company seeking share capital from the public at large.

In the case of closely held companies, investments are made by known persons. Therefore, a higher onus is required to be placed on such companies besides the general onus to establish identity and credit worthiness of creditor and genuineness of transaction. This additional onus, needs to be placed on such companies to also prove the source of money in the hands of such shareholder or persons making payment towards issue of shares before such sum is accepted as genuine credit. If the company fails to discharge the additional onus, the

sum shall be treated as income of the company and added to its income.

It is, therefore, proposed to amend section 68 of the Act to provide that the nature and source of any sum credited, as share capital, share premium etc., in the books of a closely held company shall be treated as explained only if the source of funds is also explained by the assessee company in the hands of the resident shareholder. However, even in the case of closely held companies, it is proposed that this additional onus of satisfactorily explaining the source in the hands of the shareholder, would not apply if the shareholder is a well regulated entity, i.e. a Venture Capital Fund, Venture Capital Company registered with the Securities Exchange Board of India (SEBI).

This amendment will take effect from 1st April, 2013 and will, accordingly, apply in relation to the assessment year 2013-14 and subsequent years.

(c) The definition of "Income" as laid down in Section 2(24) of the Act is also amended by the Finance Act, 2012 by inserting a new clause(xvi)

"2(24)(xvi): any consideration received for issue of shares as exceeds the fair market value of the shares referred to in clause (viib) of sub-section(2) of Section 56."

(d) It came to the notice of the Government that some of the closely held companies were issuing shares at a substantial premium to convert the unaccounted money without providing any valuation justifying the premium. The amendment hits such unjustified hefty premium and the excess is being taxed as income in the hands of the company. Thus, the provisions of Section 56(2)(viib) are applicable in the context of shares issued by a closely held company to a resident shareholder and not to shares issued to non-residents.

With a view to safeguard the genuine investment by bonafide companies, it is provided that this clause will not apply to:

- (i) a venture capital undertaking receiving the consideration for issue of shares from a venture capital company or a venture capital fund; and
- (ii) a company receiving the consideration from a class or classes of persons as may be notified by the Central Government in this behalf.

The exceptions to venture capital companies and venture capital fund are extended because such entities are already registered under the SEBI (Alternative Investment Fund Regulations, 2012.

(e) **Section 56(2)(viib) Vs. Section 68**

- (i) There could arise a situation where an addition is made u/s. 68 and if the shares are issued at a price more than Fair Market Value, the addition could also be made u/s. 56(2)(viib). Thus, this becomes a case of double addition for the same transaction. Further, the tax rate for amounts added u/s. 68 is now prescribed at a maximum marginal rate u/s. 115BBE w.e.f. assessment year 2013-14 and no deduction in respect of any expenditure or allowance shall be allowed to the assessee under any provisions of the Act in computing his income referred to in Section 68. The better course being fair and reasonable could have been to provide that the addition

u/s. 56(2)(viib) will not be made to the extent of income deemed u/s. 68.

- (ii) Thus, the clear intention behind the amendments is to control the unwarranted or bogus unjustified share premium. It will certainly control the menace of black money or unaccounted money being channelized through this mode. However, the provisions may hit certain genuine transactions bonafide share premium also e.g. in case of companies where software innovations are in the pipeline or in cases where technology upgradation or a secret formula is planned to be sold through heavy share premium in account of future handsome gains which are likely to be earned by the purchasers. In such cases, they cannot justify the share premium on the basis of existing valuation as the Rules of Valuation are now clearly prescribed in Rules 11U and 11UA.

- (iii) However, it may be mentioned here that the proviso to Section 68 and the provisions of section 56(2)(viib) introduced by the Finance Act, 2012 are not applicable to money received from non-residents since money received from them is regulated by FEMA and the rules of RBI. These new insertions/ amendments are also not applicable to money received from venture capital company and venture capital fund since they are regulated by SEBI.

PROUD MOMENT



Jignesh A. Bhagat

President Mr. Rupesh R. Shah, Chairman Mr. Hiren R. Vakil, Office Bearers & Members of the Managing Committee Congratulate Shri Jignesh A. Bhagat (IPP) for taking Part in sabarmati cyclothon for the third consecutive year. It is a matter of Proud that this year Mr. Bhagat Completed Sabarmati cyclothon's half century race of 50 kms in 2.41.12 time.



The author is a law graduate from Bangalore. He is a practicing lawyer before the High Court of Gujarat and the Income Tax Appellate Tribunal, specializing in Income Tax and Corporate Law Matters.



TEJ D. SHAH
Advocate

In this article, I will be dealing with issues which every tax practitioner comes across during the course of scrutiny, and which is most certain to be either added or disallowed to the total income. Various propositions arise while

dealing with them, most of which are settled by courts and tribunals across the country. I'm sure they will be helpful to assessees at large.

1. **Section 14A** - This section was introduced in the Finance Act w.e.f. 1-4-2007 to disallow expenditure incurred by an assessee in relation to income which does not form part of the total income under this act. **Sub-section (2)** determines the criteria to be followed by the AO before disallowing such exempt income.

a) **Whether ad hoc disallowance can be made without recording satisfaction by the AO and whether Rule 8D can be straightaway applied** - The AO must necessarily satisfy himself that the expenditure claimed by the assessee is not true and fair. An objective satisfaction must be arrived at having regard to the accounts of the assessee. Only then if the Assessing Officer is not satisfied with the correctness of the claim of the assessee in respect of such expenditure incurred, he can proceed to make a disallowance as provided under Rule 8D.

Furthermore, Rule 8D is prospective and operation and applies only to A.Y. 2008-

09 and onwards and not prior to that - Bombay High Court in Godrej & Boyce Mfg. Co. Ltd. (328 ITR 81). Punjab & Haryana High Court in Hero Cycles Ltd. (323 ITR 518).

- b) **Whether income deductible under Chapter VIA can be considered to be income not forming part of total income** - Income deductible under Chapter VI even though may ultimately not result into earning any income for the purpose of payment of income tax, is different from exempt income falling under Chapter 10. Therefore no disallowance for expenditure incurred for earning such deductible income - **Punjab & Haryana High Court in Kings Exports (318 ITR 100)**.
- c) **Nexus to be established** - The expenditure incurred must have a direct nexus with the exempt income falling which no disallowance can be made - **Supreme Court in Walfort Share and Stock Brokers P. Ltd. - 326 ITR 1**. And **Gujarat High Court in Gujarat Narmada Valley Fertilizers Co. Ltd. (221 Taxmann 479)**.
- d) **Disallowance of expenditure only when exempt income is claimed**- If the assessee has not claimed the income earned to be exempt, no disallowance can be made as the section itself restricts the disallowance to earning exempt income and not regular income. - **Gujarat High Court in Corrttech Energy P. Ltd. (223 Taxmann 130)**.

2. Capital Gains v/s Business Income on sale of shares

This issue has been bothering investors since the threshold as the department will always try to portray them as a trader in shares only to burden them with more tax as LTCG is exempt and STCG levies only minimal tax. Although Securities Transaction Tax is payable at a nominal rate. There can be no singular criteria to determine whether the nature of activity as per the Circular No. 4/2007. Various factors conjointly determine whether the activity amounts to investment or trading in shares:

- a) **Intention** - This is the primary indicator of an assessee's activity which is manifest from the Balance Sheet. If the assessee has been following a consistent practice of investment in shares since a reasonable period of time, declares the same in his books of accounts and maintains the records of transactions, then the department should refrain from following a different view – **Bombay High Court in Gopal Purohit (336 ITR 287). Gujarat High Court in Niraj Amidhar Surti (347 ITR 149).**
- b) **Delivery Based or Non-Delivery Based Transactions** - If the transactions are Delivery based they should be treated as Investment while Non-Delivery transactions should be treated as Business Transactions as held in **Gopal Purohit** (supra).
- c) **Frequency of Transactions and Borrowed Funds** - If the transactions are very frequent, large in number, squared up immediately and coupled with borrowed funds for dealing in shares, then it should be taken as trading in shares.
- d) **Profit Motive** - Profit motive is not the criteria to decide the nature of activity. No logical assessee would transact to undergo a loss.
- e) **Volume** - Mere volume will not affect the nature of the transaction if the intention since several years was investment as manifested in the books of accounts and the gain has been shown as Short/Long Term as per the period of holding – **Mumbai**

Tribunal in Janak S. Rangwala (11 SOT 627).

3. Interest Payments u/s 36(1)(iii)

Interest paid is an allowable expenditure provided the amount borrowed is for the purpose of business. The condition precedent in order to claim deduction is that amount should be utilized exclusively for the purpose of business. The nexus between the borrowed funds and its utilization for the purpose of business must be established by the assessee. If the amount is borrowed for the purpose of commercial expediency, then interest should not be disallowed – Supreme Court in **S.A. Builders (288 ITR 1).**

- a) **Mixed funds available** - If the assessee has both interest free funds as well as interest bearing funds, it should be presumed that investments are made out of interest free funds and therefore no disallowance of interest should be made. It is the discretion of the assessee how to utilize the monies (interest free/bearing) available to him. **Bombay High Court in Reliance Utilities and Power Ltd. (313 ITR 340). Ahmedabad Tribunal in Torrent Financiers takes the same view. 73 TTJ 624.**
- b) Where the assessee had established that the amount borrowed from outsiders was for the purpose of business and no part of borrowed capital was utilized for the purpose of advancing interest free loans to sister concerns, the AO cannot step into the shoes of the assessee and determine that such amount was borrowed otherwise and disallow interest paid to such outsiders to the extent of interest not charged from sister concerns - **Bombay High Court in Bombay Samachar (74 ITR 723).**
A similar proposition arose in which it was held that where the assessee had a huge debit balance out of the profits invested in the overdraft account and income tax was paid out of the same, tax was paid out of the profits earned and the interest paid on the overdraft account was held to be deductible – **Supreme Court in East India Pharmaceutical Works Ltd. (224 ITR 627)**

4. **Bad Debts 36(i)(vii) read with Section 36(2)**

The amounts in the course business which are due to the assessee and have become irrecoverable are allowable as a deduction. However Subsection (2) of Section 36 provides that the deduction shall not be allowed unless such debt has been taken into account in computing the income either of the previous year or any earlier previous years, unless the assessee carries on the business of banking or money lending.

- a) **Mere write off sufficient** - When a bad debt occurs, the bad debt account is debited and the customer from whom such money was due, is credited. It is not necessary for the assessee to establish the debt which has become irrecoverable. It is sufficient if the same has been written off as bad in the books of accounts. Decision of the Gujarat High Court in Dhal Enterprises stands impliedly reversed – **Supreme Court in TRF Limited (190 Taxmann 391)**.

It is sufficient if the assessee writes off the debt in the P & L A/c and reduces the same from the head of Loans & Advances to Debtors on the asset side of the Balance Sheet. The assessee need not close each and every debtor's account in order to claim deduction – **Supreme Court in Vijaya Bank (323 ITR 166)**.

- b) **Can be claimed as a Business Loss in the alternative** – Profits and Gains of Business/Profession are arrived at after deducting business losses from the gross receipts. This is how the true picture can be deduced. Even if the amount written off is not allowable as bad debts owing to non compliance of Section 36(2), the same can be claimed as a business loss. Income is computed u/s 28 after deducting the losses/expenses from the amount of income earned – **Bombay High Court in Harshad J. Choksi (349 ITR 250)**.

5. **Reassessment u/s 147**

This is a burning issue and most talked about. Day in and out we have courts rendering decisions as to the manner in

which reassessment is possible and the powers of the AO in doing so. Various issues arise for consideration:

- a) **Reason to believe:** The AO must have a reason to believe based on a tangible material by way of which he concludes that income chargeable to tax has escaped assessment. Without any tangible material and looking into the same record amounts to change of Opinion which is not permissible – **Supreme Court in Kelvinator of India (320 ITR 561) affirming the decision of the Full Bench Delhi High Court (256 ITR 1)**.
- b) It is reasons and reasons alone that the validity of reopening the assessment is to be decided. The reasons recorded must lead to a reasonable belief that any income chargeable to tax has escaped assessment or whether any excess loss, deduction, allowance or relief has been claimed in the return – **Bombay High Court in Prashant S. Joshi (324 ITR 154)**.
- c) **Reopening within a period of 4 years:**
Where original assessment was made u/s 143(1) – In such cases, the AO has no powers to reopen in absence of any tangible material – **Delhi High Court in Orient Craft Ltd. (358 ITR 536)**.
Where original assessment was made u/s 143(3) – In such a case, reopening on the issue is invalid if during the original assessment proceedings the AO had called for information on the issue which is now sought to be reopened and the assessee had disclosed all requisite information. Once having done that, without any tangible external material which was not in his possession during the original proceedings, the AO cannot reopen assessment on such issues. It has to be borne in mind that once having disclosed all material particulars called for by the AO during the original assessment proceedings and the AO being satisfied of the same, even though does not mention the same in the body of the assessment order, reopening is not justified on that count – **Gujarat High Court in Gujarat Power Corporation (350 ITR 256)**.

- d) **Reopening beyond a period of 4 years – Where original assessment was made u/s 143(1)** – In such cases, the AO has no powers to reopen in absence of any tangible material and additionally the income escaping assessment should be more than Rs. 1,00,000/- which also shall be mentioned in the reasons recorded – Delhi High Court in BBC World News Ltd. (362 ITR 577)

Where original assessment was made u/s 143(3) – The 1st proviso to S.147 mandates that where the original assessment was made u/s 143(3) and reopening is beyond a period of 4 years, the AO has to establish beyond reasonable doubt that income chargeable to tax has escaped assessment by reason of the failure on the part of the assessee to disclose fully and truly material particulars leading to the assessment. So once there is a full and true disclosure on the part of the assessee, then regardless of the fact that by mistake on the part of the AO to have allowed something impermissible, reopening is not permissible. Material facts refer only to the primary facts and he does not have to indicate what factual or legal inference to be drawn from the same. There are several unanimous decisions in this regard by courts all around including Gujarat High Court. However, the locus classicus amongst them is Supreme Court decision in case of Calcutta Discount Co. (41 ITR 191).

- e) **Reopening on the basis of Audit Objection:** It happens in a number of cases that reopening by the AO is at the instance of the revenue audit party who directs the AO to reopen the case of the assessee. Opinion of the audit party is not information within the meaning of S. 147 and therefore such reopening is bad in law – **Gujarat High Court in Adani Export 240 ITR 224.**
- f) **Reopening of issues other than the ones mentioned in the reasons recorded** – The AO can reopen issues other than those for which addition/disallowance is proposed for the issue reopened. However, if he concludes that the issue reopened does not survive and needs to be dropped, then other issues too cannot be touched upon – **Bombay High**

Court in Jet Airways (195 Taxman 117).

- g) **Subsequent judgment** – Subsequent judgment of the Supreme Court against the assessee does not authorize reopening when at the time of original assessment, the issue was in favour of the assessee. – **Supreme Court in Simplex Concrete Piles (India) Ltd. (358 ITR 129) (SC)**
- h) **Most adopted course against reopening** – Once a notice of reopening u/s 148 is received by the assessee, it is incumbent upon him to file the return of income for the assessment year in question and also demand a copy of the reasons recorded from the AO issuing such notice. After the AO issues a copy of the reasons recorded, the assessee or his legal advisor should oppose such reopening, if the same is not well founded on legality as well as the facts of the case. The AO, will either drop the reassessment proceedings if satisfied with such objections, or will overrule the objections and go ahead with the proceedings. The assessee may at this stage in consultation with his legal advisor, prefer a writ petition before the High Court of his state of assessment or where he is domiciled – **Supreme Court in GKN Driveshafts (259 ITR 19).**

If the Hon'ble Court finds favour to the assessee, it may order an immediate stay of reassessment proceedings and thereafter finally may quash the entire proceedings. This course is advisable to those assesseees who have a good favourable case as the cumbersome process of regular assessment and thereafter appeals to the higher authorities can be prevented, thereby saving costs to the assessee.

6. Disallowance u/s 40(a)(ia)

This section was introduced to disallow any expenditure as referred to in Sections 30 to 37 which was claimed as a deduction, for failure to deduct tax at source on payments falling under Chapter XVII-B on which tax is deductible at source, or if such tax has been deducted, the same has not been deposited before the due

date u/s 139(1). The issues which arise are:

a) **Paid/Payable by the end of the year -**

This is the most controversial interpretation as various courts and tribunals have taken contrary views. The Vishakapatnam Spl. Bench of the ITAT in *Merilyn Shipping* (20 Taxmann.com 244) takes a view that only the amounts payable at the end of the year can be disallowed and not the amounts which are already paid. However the same was stayed by the **Andhra Pradesh High Court** and thereafter the **Calcutta High Court** in *(Crescent Export Syndicate 33. Taxmann.com 250)* and the **Gujarat High Court** in *Sikandarkhan Tunwar (33 Taxmann.com 133)* holds that amounts paid are also included and can be disallowed. Recently the **Allahbad High Court** in the case of *Vector Shipping Services P. Ltd. (38 Taxmann.com 77)* takes a view in favour of the assessee. An SLP preferred against the same has been dismissed by the **Hon'ble Supreme Court**. However it should be kept in mind that a mere dismissal of a SLP does not amount to laying down the "law of the land" and hence the states in which their respective high courts have taken a particular view, should be adopted.

b) **Where Books of accounts are rejected**

- Once the books of accounts are rejected, the AO makes an estimation of income looking to the nature of business carried on by an assessee. In doing so, he takes care of all the possible nature of receipts and expenditures, depreciation etc. which would have been received and incurred. Thereafter once again the AO cannot make a disallowance under this section as no certain sum is available for disallowance and already such expenditure has been considered while estimating his income.

c) **What items are covered -** This section starts with a non-obstante clause. Therefore it is applicable only to items covered u/s 30 to 38 and not to any others. There are certain costs which will not be covered u/s 30 to 38, e.g. purchases, loss by fire etc. also for which no specific section is mentioned and still can be claimed as a deduction. Those can only be claimed u/s 28 and not otherwise. Hence no disallowance u/s 40(a)(ia) can be made – **Hyderabad Tribunal in Teja Constructions (122 TTJ 857)**.

d) **Amendments whether prospective or retrospective -** The first fruitful amendment relieving the assessee from unnecessary hassles was to sub-section (ia) which provided that if the amount of tax deducted has been deposited before the due date of filing of return of income u/s 139, no disallowance can be made u/s 40(a)(ia). This was held to be retrospective as it was clarificatory in nature – **Gujarat High Court in Standard Buildcon (2014) 41 Taxmann.com 155. And in Royal Builders (220 Taxman 108)**

The 2nd proviso inserted w.e.f. 1-4-2013 was a major breather. It says that when payees have paid taxes, the assessee cannot be held to be an assessee in default. If the assessee cannot be held to be an assessee in default, no disallowance u/s 40(a)(ia) is warranted – **Agra Tribunal Rajeev Kumar Agarwal (2014) 45 Taxmann.com 555**

7. Section 41(1)

a) S. 41 postulates twin conditions:

Firstly, An allowance or a deduction must have been obtained by the assessee in relation to a loss, expenditure or a trading liability and,

Secondly, a benefit in respect of such loss, expenditure or trading liability should have been obtained by the assessee – **Bombay High Court in SI Group India Ltd. (326 ITR**

- b) **Each of the subsections to S. 41 deals in different spheres** - There is no general section 41, divided into different subsections. Therefore, one cannot be read into the other. Sub section (1) deals with recoupment of an amount which was in any of the previous years' allowed as an allowance or deduction in respect of a loss, expenditure or trading liability incurred. Whereas Sub section (2) says that if any building, machinery, plant or furniture in respect of which depreciation was claimed u/s 32(1), is sold etc. and the moneys payable in respect of such building etc. together with the scrap value, if any, exceeds the WDV, so much of the excess as does not exceed the difference between the actual cost and the WDV shall be taxed. Depreciation by its very nature, was never a loss, expenditure or a trading liability even though allowed as a deduction. The Dept. cannot tax the assessee u/s 41(1) if the case of the assessee was falling u/s 41(2) which all the more stood deleted at the relevant point of time - **Supreme Court in Nectar Beverages (314 ITR 314)**.
- c) In a case where the trading liability is outstanding for a period of 3 years or more and the limitation period for recovery of such debt might have expired yet since the liability is acknowledged in the accounts, the same cannot be ceased. In such a situation, addition u/s 41(1) is not permissible as held by the Hon'ble Gujarat High Court in the case of Bhogilal Ramjibhai Atara (222 Taxman 313). Similarly, once the liability is appearing in the books of accounts and on inquiry with the creditors, the same remains unreplied, still the same cannot be added u/s 41(1) for the reason that there is no evidence to demonstrate that the liability has ceased. The onus of proving that such liability has ceased is upon the AO.

8. Section 179. Recovery of Tax from the director of a private limited company.

This section adduces liability on the part of the director if taxes which are due from the private limited company which cannot be recovered.

- a) **Assessee should be a director** - However, it is mandatory that the assessee should have been a director of such company when the tax was due from the company for being jointly and severally liable. The director should first prove non recovery was not attributable to the gross neglect, misfeasance or breach of duty on the part of the director in relation to the affairs of the company. If he proves the same, no action against such director can be taken under this provision - **Gujarat High Court in Maganbhai Hansrajibhai Patel (353 ITR 567)**.
- b) It should also be kept in mind that no interest or penalty on such tax could be recovered from the director until the law was amended w.e.f. 1-6-2013 which now includes penalty and interest.
- c) Even if the company is a public limited company, the AO is empowered to lift the corporate veil to find out whether the taxes, etc. due from the company cannot be recovered owing to the negligence or misfeasance on the part of its director and the provisions of this section will apply accordingly.

I have tried to cover various aspects of each topics which arise day in and out. However these issues are mainly settled through judgments by various courts, hence it will be helpful to the tax practitioners dealing with them. There are several other issues including Deemed Dividend (sec.2(22)(e)), Deduction of Tax at source while making payments to Non-Residents (sec.195) and Search assessment (Secs.153A/153C) etc. which I intend to cover in the next article owing to space constraints in this article. The readers may feel free to offer their comments on the email id mentioned.



- TUSHAR HEMANI
B.Com., LL.B, A.C.A., Advocate

CIT vs. Rashmikaben K. Thakkar
Tax Appeal No.517 of 2014
(Guj HC)

Facts:

Assessee received certain amount on redemption of Deep Discount Bonds (DDB) of Sardar Sarovar Narmada Nigam Ltd. (SSNNL). AO treated interest received from SSNNL as "Income from other sources". CIT(A) dismissed assessee's appeal whereas ITAT held that such income has to be taxed as "Capital Gain" and not "Income from other sources". Aggrieved by the same, Revenue preferred tax appeal before High Court.

Held:

Hon'ble High Court observed that DDB are capital assets and hence, profit arising on redemption thereof is to be treated as capital gain. It was further observed that ITAT, while allowing assessee's appeal, had directed the AO to treat redemption value less issue price as capital gain and tax the same accordingly. Hon'ble High Court was in complete agreement with the view taken by ITAT and hence, Revenue's tax appeal was dismissed.

CIT vs. Suzlon Energy Ltd.
Tax Appeal No.1437 of 2005 (Guj HC)

Facts:

AO rejected assessee's claim u/s 80IB by treating interest on fixed deposits as "other income". ITAT held that only "net interest" is to be excluded while working out deduction u/s 80IB. Being aggrieved by the same, revenue preferred tax appeal before Hon'ble High Court. Hon'ble High Court observed that Hon'ble Apex Court, in the case of "ACG Associated Capsules Pvt. Ltd. vs. CIT - 343 ITR 89 (SC)", has held that 90% of not the gross rent or gross interest but only net interest or net rent which has been included in profits of business of the assessee as computed under the head "Profits and gains of business or profession" was to be deducted under clause (1) of Explanation (baa) to S.80HHC for determining profits of the business. In light of the

aforesaid decision, it was held that ITAT was right in holding that net interest was to be excluded while working out deduction u/s 80IB instead of gross income. Revenue's appeal was dismissed accordingly.

ACIT vs. Growth Avenues Ltd.
Tax Appeal No.1799 of 2005 (Guj HC)

Facts:

Assessee incurred expenditure on purchase of new software and claimed it as revenue expenditure. AO treated the same as capital expenditure and disallowed the same. ITAT decided the issue in assessee's favor and hence, aggrieved by ITAT's order, revenue preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court observed that in the case of "CIT vs. N.J. Invest (P) Ltd. - 32 taxmann.com 367 (Guj)", it was held that software development and up gradation would include data administrative services, information and technology support services, software asset management services, etc. which was in the nature of maintenance, back up and support service to existing hardware and software and did not give any fresh or new benefit and therefore the same shall be treated as revenue expenditure. It was thus held that ITAT had rightly concluded that expenditure on purchase of new software was revenue in nature.

ShriPuransingh M. Verma vs. Tax Appeal No.24 of 2003 (Guj HC)

Facts:

Assessee derived income from nursery and claimed the same as exempt income u/s 10(1) since it was agricultural income. AO denied the said exemption. CIT(A) held that income derived from nursery is agricultural income and hence, exemption can be availed u/s 10(1) of the Act. ITAT held that such income is not agricultural income and hence, being aggrieved by the said order, assessee preferred tax appeal before the Hon'ble High Court.

Held:

Hon'ble High Court observed that assessee grows plants on land owned by it. During the course of growing and nurturing plants on the land, assessee carries out certain functions such as tilling the soil, weeding, watering, manuring, etc. and finally the plants are made ready for sale. All such tasks involve human skill and effort. When plants are established in soil, only then they are shifted in suitable containers or appropriate places of land. It was thus held that sale proceeds from business of nursery carried on by the assessee constitute income from agriculture. Reliance was placed on CIT vs. Raja Benoy Kumar Sahas Roy – 32 ITR 466 (SC), CIT vs. Green Gold Tea farmers P. Ltd. – 299 ITR 262 (Uttarakhand), A.T. Parthasarathiah & Bros. vs. CIT – 48 ITR 830 (Mysore) and CIT vs. Soundarya Nursery – 241 ITR 530 (Madras).

Guru Ashish Ship Breakers vs. ACIT
Tax Appeal No.732 of 2005 (Guj HC)

Facts:

A search action u/s 132 took place and assessment was framed after making several additions. When the matter reached before ITAT, Hon'ble ITAT observed that similar action was made in block assessments of two other concerns and notices u/s 148 were issued to consider the discrepancies in material found during the search. However, no notice u/s 148 was issued in assessee's case. Hence, ITAT directed AO to issue notice u/s 148 to examine discrepancies in assessee's case. Aggrieved by the said order of ITAT, assessee preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court, replying upon the decision in the case of "Adani Exports vs. DCIT – 240 ITR 224 (Guj)", held that directions given by ITAT to the AO to issue notice u/s 148 were contrary to law and the same deserves to be quashed and set-aside.

CIT vs. Parmar Kishore Mandap Services
Tax Appeal Nos.421 to 423 of 2006 (Guj HC)

Facts:

Three partnership firms merged and their business was continued by a new firm. On such merger, assets of erstwhile firm were not realized, liabilities were not defrayed and surplus was also not worked out and was also not distributed among partners of the erstwhile firms. AO applied S.41(2) and S.45(4) and accordingly made assessment by taking 50% of book value of assets taken over by new firm. CIT(A) as well as ITAT decided the controversy in assessee's favor. Hence, Revenue preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court observed that the concerned partnership firms had not been dissolved. Rather, it was a case of "Merger" of firms for business convenience and efficiency. No asset was sold by such old firms to the new firm either constructively or in real sense. No gain was realized as well. Neither the business of old firms was discontinued, nor there was any taxable profit which had escaped assessment much less a profit which must be estimated in rough manner.

Kirit Dahyabhai Patel vs. ACIT
Tax Appeal Nos.1181-85 of 2010 (Guj HC)

Facts:

A search was carried out u/s 132 at the premises of the assessee. In response to notice issued u/s 153(1)(a) of the Act, assessee disclosed income over and above income which was declared in original return of income. Assessment came to be framed on the returned income. However, AO levied penalty u/s 271(1)(c) on such additional income disclosed by the assessee pursuant to search. CIT(A) deleted such penalty whereas ITAT confirmed the same. Aggrieved by ITAT's order, assessee preferred tax appeal before Hon'ble High Court.

Held:

Return of income filed in response to notice u/s 153(a) of the Act is to be considered as return filed u/s 139 of the Act. As the AO has made assessment on the said return, the said return is to be considered for the purpose of penalty u/s 271(1)(c) of the Act and penalty is to be levied on income assessed over and above income returned u/s 153A, if any. Further, no time limit is prescribed under the Act for payment of tax with interest. Hence, once such tax is paid along with interest, AO ought to have granted immunity available to the assessee vide Explanation 5 to 271(1)(c) of the Act. Accordingly, assessee's tax appeals were allowed.

Bilag Industries Pvt. Ltd. vs. DCIT
SCA No.24128 of 2005 (Guj HC)

Facts:

Notice u/s 148 was issued and re-assessment order was passed. Assessee preferred an appeal against the same before CIT(A) which came to be partly allowed. Both, assessee as well as Department, preferred appeal against order of CIT(A) before ITAT. Pending aforesaid appeals, notice was issued u/s 263 and hence, assessee preferred writ before Hon'ble Gujarat High Court. The short question for consideration before the Hon'ble High Court was whether notice u/s 263 could have been issued despite the fact that appeals preferred by assessee and revenue against order of CIT(A) partly allowing assessee's appeal against the concerned assessment order were pending before ITAT.

Held:

Hon'ble High Court was of the view that, applying the principles of merger, order passed by AO stood merged with the order passed by CIT(A) which was challenged before ITAT therefore following the ratio of "CIT vs. Shashi Theater Pvt. Ltd. – 248 ITR 126", it was held that powers of revision do not extend to matters on which appellate authorities have given decisions. Further it was held that "the assessee was neither heard nor the revenue conducted any inquiry" the notice even otherwise deserves to be dismissed.

Alliance Industries vs. ITO
Tax Appeal No.16 & 229 of 2001

&
ACIT vs. J.R. Dyeing & Printing Mills P. Ltd.
Tax Appeal No.146 of 2003
(Guj HC)

Facts:

AO made addition in respect of difference between closing stock as shown in regular books of accounts and that declared in statement furnished to the bank in respect of hypothecation facility availed by it. CIT(A) deleted the said addition but on Revenue's appeal, ITAT confirmed the same and hence, the assessee preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court following its earlier decision in the case of "CIT vs. Riddhi Steel and Tubes Pvt. Ltd. – 40 taxmann.com 177" decided the issue in favour of the assessee broadly on the counts that (a) assessee was subjected to Excise, VAT and also statutory audit under Companies Act and Income-tax Act, no errors were found in reports of such auditors and (b) for past eight years, assessee was consistently following method of accounting as provided u/s 145 and was valuing stock and inventory as provided u/s 145A. Hon'ble High Court further held that only on account of inflated statements furnished to banking authorities for availing larger credit facilities, no addition can be made if there appears to be a difference between stock as per books and as per statement furnished to the bank. If, for fulfilling margin requirements of bank purely on inflated estimate basis, when stock statement reflects inflated value of stock, in wake of otherwise satisfactory explanation, both for the purpose of value as well as quantity, no addition can be made for such difference.

AIMS Oxygen Pvt. Ltd. vs. DCIT
Tax Appeal No.4 of 2004 (Guj HC)

Facts:

AO made an addition u/s 41(1) in respect of "Cylinder security deposit" received in past which has been transferred to capital reserve by the assessee. CIT(A) deleted the said addition whereas ITAT confirmed such addition. Being aggrieved by the same, assessee preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court held that S.41(1) contemplates "obtaining of any benefit by the assessee of an amount either in cash or in any other manner whatsoever or a benefit by way of remission or cessation" and it should be a part of a particular amount obtained by him. "Obtaining a benefit by an assessee by virtue of remission or cessation" is sine qua non for application of S.41(1). The mere fact that assessee had transferred such deposit to capital reserve in books unilaterally will not enable the Department to say that S.41(1) shall apply. Reliance was placed on "CIT vs. Sugauli Sugar Works (P) Ltd. – 236 ITR 518 (SC)" wherein Hon'ble Apex Court has held that the principle to the effect that expiry of period limitation prescribed under the Limitation Act could not extinguish the debt but shall prevent the creditor from enforcing the debt is well settled and mere entry in books of accounts of debtor made unilaterally without any act on the part of creditor will not enable debtor to say that liability has come to an end.

ITO vs. Ashwin D. Mehta (HUF)
Tax Appeal No.386 of 2000 (Guj HC)

Facts:

AO treated "Agricultural income" as "Income from other sources" on the count that agricultural land owned by the assessee was only 8 acres and assessee couldn't have earned huge agricultural income from sale of vegetables and other agricultural produce. CIT(A) as well as ITAT deleted the said addition. Aggrieved by the same, Revenue preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court observed that assessee had furnished complete details about income and had also shown agricultural income in books of accounts though returns were not filed since assessee was not having any income other than agricultural income. Further, such agricultural income has been accepted by the Revenue in the past. Also, AO has not been able to prove any other source of income out of which assessee could have earned such income. Further, assessee had planted 15000 saplings of Eucalyptus trees / Nilgiri trees in 1982-83 out of which it was quite reasonable to assume that 5000 saplings of such trees will grow into full trees by 1990-91 (i.e. the year under

consideration) which could be cut and sold since, as per the certificate issued by Range Forest Officer, no permission is required for cutting and sale of Eucalyptus trees / Nilgiri trees. Thus, assessee owned fertile agricultural land having irrigation facilities from which agricultural income has been shown and such agricultural income has been accepted by Revenue in past. Accordingly, such income was treated as agricultural income and Revenue's appeal was dismissed.

CIT vs. Bhavini Forge P. Ltd.
Tax Appeal No.1321 of 2006 (Guj HC)

Facts:

Assessee started manufacturing business on 25.09.91 but claimed deduction u/s 80IA during AY 2001-02 since it was entitled to deduction u/s 80IA only after purchasing new machinery of requisite proportion as specified under the Act. AO rejected the said claim. CIT(A) as well as ITAT allowed the said deduction. Aggrieved by ITAT's order, Revenue preferred tax appeal before Gujarat High Court.

Held:

Hon'ble High Court observed that the condition for claiming deduction u/s 80IA to the effect that value of old machinery should not exceed 20% of total value of machinery was not fulfilled in the initial year but was fulfilled in the year under consideration.

All other conditions for claiming deduction u/s 80IA have also been fulfilled by the assessee. It was thus held that an assessee can claim deduction u/s 80IA from the year in which it fulfills the conditions specified u/s 80IA. Since the assessee has fulfilled such conditions during the year under consideration, it shall be eligible for deduction u/s 80IA during the year under consideration.

Shree Maruti Courier Service P. Ltd. vs. ACIT
Tax Appeal No.791 of 2006 (Guj HC)

Facts:

AO disallowed reimbursement of taxi fare expenses being reimbursement to the franchisee of the assessee company. AO also disallowed commission paid to Mr. Mokharia in lieu of his services to the assessee for development of new business clients. CIT(A) as well as ITAT dismissed assessee's appeal. Being aggrieved by the same, assessee preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court observed that assessee had

submitted complete details about taxi fare including names of proprietors, address, PAN and amount paid. ITAT had confirmed such disallowance on the count that such reimbursement expenses were beyond the terms of agreement. As regards commission, it was observed that new clients were received by the assessee on the strength of services rendered by Mr. Mokharia. Thus, assessee had offered plausible explanation for the expenditure. Recipients of such payments are subject to tax and have reflected payments as their receipts along with filing confirmations. Revenue was not in a position to bring on record anything to suggest that the expenditure is not genuine or that money had come back to the assessee after having irretrievably gone out of the coffers of the company. It was thus held that if ex-gratia payment is made for the business purpose even beyond the terms of agreement, it would necessarily mean by itself unreasonable to make such a payment. Accordingly, assessee's tax appeals were allowed.

CIT vs. Shri Harish Popatlal Prajapati
I.T. Ref. No.38 of 2000 (Guj HC)

Facts:

AO passed original assessment order after making certain additions which came was set-aside by CIT(A) with a direction to pass fresh order after giving adequate opportunity of being heard to the assessee and to get statement of assessee, if any recorded by the Customs department and to find out from Customs Dept. whether the assessee had any dealings as carrier of smugglers. A fresh assessment order was again passed which was set-aside by CIT(A) whereby AO was directed to give opportunity to rebut the evidence which was used against assessee. AO then passed an assessment order determining total income as determined in original assessment order on the count that there was no response from the Customs Dept. CIT(A) partly allowed assessee's appeal whereas ITAT allowed assessee's appeal.

Held:

Hon'ble High Court observed that additions were made on the basis of customs investigation and search. Customs officials did not comply with request of AO and hence, AO made additions in the hands of the assessee for such non-compliance by customs authorities. It was held that AO couldn't have made the addition in assessee's hands for non-compliance at the end of Customs authorities. Accordingly, the issue was determined in favor of the assessee.

Shri Balaji Yarn Traders P. Ltd. vs. ACIT
Tax Appeal No.423 of 2003 (Guj HC)

Facts:

Assessee had two separate manufacturing divisions viz. one for export and other for local sales. Assessee was also having separate books of accounts from which export profit could be determined. AO overlooked such separate books and worked out deduction u/s 80HHC after substituting actual figure of exports by theoretical figure of exports arrived at by clubbing turnover of both the divisions and apportioning profit of both the divisions according to turnover of each division.

Held:

Hon'ble High Court held that, since the assessee was maintaining separate books of accounts, turnover of domestic unit could not have been included in calculating deduction u/s 80HHC. Reliance was placed on "CIT vs. Padmini Technologies Ltd. - (2013) 33 taxmann.com 668 (Del)". Accordingly, the issue was decided in assessee's favor.

M/s. Deepak Nitrite Ltd. vs DCIT
Tax Appeal No.429 of 2007 (Guj HC)

Facts:

AO disallowed depreciation on some of the items of block of assets on the count that the same were not used by the assessee during the year under consideration. CIT(A) as well as ITAT confirmed the said disallowance. Aggrieved by the same, assessee preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court, placing reliance on "ACIT vs. S.K. Patel Family Trust - 251 CTR 427 (Guj)" and "CIT vs. Sonal Gum Industries - 322 ITR 542 (Guj)", held that once an asset was put to use, it was not possible to restrict depreciation on the same by stating that only a portion thereof has been put to use during the year under consideration. It was further held that once it was found that assets were used for business, it was not necessary that all items falling within the block must be used simultaneously for being entitled to depreciation. Accordingly, depreciation was allowed on even those items of block of assets which were not used during the year under consideration.

Taktawala Glass Ind. Pvt. Ltd. vs. ACIT
Tax Appeal No.1058 of 2006 (Guj HC)

Facts:

Assessee paid commission to its associate concern in respect of sales made to three parties introduced to the assessee by such associate concern. Such three parties were introduced for the first time and commission was paid @ 5% of sales. AO disallowed such commission by observing that the same was general and vague and was not supported by any evidence. No germane

reason was assigned by AO in the finding part while making the said disallowance. CIT(A) as well as ITAT partly allowed assessee's appeal and hence, assessee preferred tax appeal.

Held:

Hon'ble High Court observed that Revenue has not discharged its onus of proving that commission paid @ 5% to the associate concern was excessive or unreasonable having regard to the fair market value of such rendered by associate concern or the legitimate needs of the business of the assessee or benefit derived by or accruing to the assessee from such services. Relying upon the decisions in the cases of "CIT vs. Ashok J. Patel - (2014) taxmann.com 227 (Guj)" and "CIT vs. Sarjan Realities - (2014) 50 taxmann.com 52 (Guj)", it was held that no disallowance can be made u/s 40A(2)(b) unless revenue discharges onus on it to the effect that the amount paid to associate concern is more than fair market of such services. Since such onus has not been discharged in the present case, the disallowance was deleted and assessee's appeal was allowed.

CIT vs. PatidarShroff
Tax Appeal No.1318 of 2006 (Guj HC)

Facts:

Assessee disclosed unaccounted income during the course of search and claimed deduction u/s 40(b) in respect of remuneration to partners which was allowed by AO. CIT passed an order u/s 263 revising the order passed by AO since he was of the view that undisclosed income detected during search cannot be treated as part of "Book-profit". Assessee preferred an appeal against the same before ITAT was came to be allowed. Aggrieved by the same, Revenue has preferred tax appeal before the Hon'ble High Court.

Held:

Hon'ble High Court observed that assessee had surrendered income during search, reconstructed the accounts on the basis of unaccounted income and had filed return of income accordingly. Also AO had added such income as "Business income". Since assessee had reconstructed its accounts including the surrendered amount and filed return of income, net profit was required to be ascertained by applying provisions of S.40(b) by taking additionally disclosed income into consideration.

CIT vs. Evergreen Synthetics Pvt. Ltd.
Tax Appeal Nos.1412-13 of 2005 (Guj HC)

Facts:

Assessee is engaged in the business of grey cloth manufacturing and also selling dyed and printed cloth

after processing in other dyeing houses on job work basis. AO made huge addition on account of unaccounted income generated by the assessee on the count that compared to other two concerns connected with the assessee, fuel consumption was more per meter of cloth. CIT(A) partly allowed assessee's appeal whereas ITAT allowed assessee's appeal. Hence, revenue preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court observed that AO had rejected book results mainly on the ground that it has shown consumption on fuel disproportionately very high than other similar situated assessees.

ITAT had re-appreciated comparability of all such concerns and found that results couldn't be compared since such concerns were not doing business in similar atmosphere. There were lots of disparities such as nature of machineries, quality of finished goods, nature of fuel, nature of raw material, input cost, etc. Even the sale price of products varied. All such circumstances indicated that results were not comparable. It was thus held that books of accounts cannot be rejected only the ground of excessive fuel charges. In that view of the matter, question of gross profit will not arise at all. While considering the case of other sister concerns, ITAT had rightly analyzed facts and figures of and ultimately decided the issue in assessee's favor. Such view of ITAT was finally upheld by Hon'ble High Court and revenue's appeal was dismissed.

DCIT vs. Gujarat Narmada Valley Fertilizers Co. Ltd.
Tax Appeal Nos.447 of 2000 (Guj HC)

Facts:

Assessee incurred certain expenditure on a "new project". However, the said scheme was not finally approved by the Govt. So the new project was abandoned. Assessee claimed expenditure on the same as "revenue expenditure". AO took a view that such expenditure cannot be treated as revenue expenditure and disallowed the same. CIT(A) confirmed the said addition whereas ITAT deleted the same. Aggrieved by the same, Revenue preferred tax appeal before the Hon'ble High Court.

Held:

Hon'ble High Court observed that the management of existing company and new project were same. Expenditure on new project was incurred from funds of the assessee company. There was unity of control, common business organization, common administration by existing Board of Directors and present employees were involved in the said project. Assessee's company's common place of business was to be used for the new project. Thus, the new project

was an expansion of the present business of the assessee which was mentioned in Memorandum of Association. However, the new project was ultimately given up by the assessee since it was not finally approved by Govt. In light of the aforesaid facts, it was thus held that such expenditure has to be allowed as revenue expenditure and the same can't be treated as capital expenditure. Accordingly, the issue was decided in assessee's favor.

CIT vs. Ritu Rayon Pvt. Ltd.
Tax Appeal No.2525 of 2009 (Guj HC)

Facts:

Assessee had made certain cash payments towards purchase of flat. AO took a view that assessee had violated provisions of S.269T and hence, penalty was levied u/s 271E.CIT(A) as well as ITAT deleted the said penalty. Being aggrieved by the said order, Revenue preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court observed that there was no dispute regarding genuineness of transactions. Source of funds was also proved. AO merely doubted such cash transactions but had not brought on record evidence to the effect that such transactions were not genuine. It was held that "payment of cash against purchase of flats" doesn't fall within the purview of "loan or deposit" and therefore, there was no violation of S.269T. Hence, no penalty can be levied u/s 271E. Revenue's appeal was dismissed accordingly.

Vijay Proteins Ltd. vs. CIT
I.T. Ref. No.139 of 1996 with
Tax Appeal No.243 of 2002 (Guj HC)

Facts:

AO made addition in respect of bogus purchases. ITAT found that transactions in respect of purchases from 33 parties were not genuine transactions and the sale invoices claimed to have been issued by them are fictitious. However, addition in respect of bogus purchases was sustained to the extent of 25% by ITAT. Aggrieved by the same, assessee as well as Revenue approached the Hon'ble High Court.

Held:

The question before Hon'ble High Court was whether the entire amount of such bogus purchases should be disallowed or assessee must be granted deduction of reasonable amount of purchase price since receipts of materials by assessee were supported by various registers and books of accounts maintained by the assessee and the same has not been disputed by Revenue as well. It was thus held that, considering the overall scenario, ITAT was justified in disallowing 25%

of the purchase price.

CIT vs. Abhishek Corporation
ITR No.15 of 2003 (Guj HC)

Facts:

Assessee had collected a sum of Rs.1,88,59,400/- as "on money"/premium and disclosed Rs.30,00,000/- as undisclosed income being net income earned in the concerned project. The moot issue was whether the gross receipts collected as on money need to be taxed or only the income component therein.

Held:

Hon'ble High Court observed that in the cases of CIT vs. President Industries – 258 ITR 654, CIT vs. Gurubachhan Singh J. Juneja – 302 ITR 63 and CIT vs. Samir Synthetics Mill – 326 ITR 410, it was held that what can be taxed in hands of an assessee is only "Income" and not "gross receipts". In view of the aforesaid legal position, it was held that not the entire receipts, but only the profit element embedded in such receipts can be brought to tax.

ACIT vs. Geera Finance Ltd.
Tax Appeal Nos.67 & 68 of 2001 (Guj HC)

Facts:

AO made addition u/s 68 in respect of share application money received by the assessee in the very first year of its incorporation. TAT deleted the said disallowance, against which the Revenue preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble Court held that during the period immediately after its incorporation, when assessee had practically done no business so as to generate any income, no addition can be made in respect of share application money so received by the assessee. Hon'ble High Court relying upon the decision in the case of "CIT vs. Lovely Exports – 216 CTR 195 (SC)", had held that if share application money is received by assessee-company from alleged bogus shareholders whose names are given to AO, then Revenue is free to proceed to reopen such individual assessments in accordance with law. However, such amount cannot be added u/s 68 in the hands of assessee-company. It was thus held that funds not having emanated from assessee-company, there was no warrant for making addition of the said amount u/s 68 in assessee's hands.

Snesh Resort Pvt. Ltd. vs. SCIT
Tax Appeal No.113 of 2004 (Guj HC)

Facts:

Assessee-company was established to provide recreational facilities to its members by way of water-park. It had collected "Membership fees" as receipt or advance for rendering such services to members over a period of time. However, assessee did not resume water-park till the end of the year. AO treated such membership fees as revenue receipt and added the same to the income of the assessee. The said addition also came to be confirmed by CIT(A) and ITAT. Being aggrieved by the same, assessee preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court was of the view that since the assessee had not resumed the task of rendering services of water-park to its members, amount received as membership fees was required to be considered as an advance and thereafter, as and when the business commenced, amount of liability was required to be taxed over a period of time proportionately. Only "Real Income" that too accrues and arises in the year under consideration can be taxed. It was thus held that amount of membership receipts shall be considered as income on proportionate basis in the year in which business of the assessee commenced.

CIT vs. Manjulaben M. Unadkat
Tax Appeal No.167 of 2003 (Guj HC)

Facts:

Assessee sold a property during the year under consideration and had declared capital gain arising consequent to such sale. AO referred the matter for valuation of such property to the valuation cell. On the basis of such valuation report, AO issued notice u/s 148 and framed assessment u/s 147 r.w.s. 143(3) after estimating capital gain based on such DVO's report. CIT(A) upheld the order of AO while ITAT allowed assessee's appeal. Aggrieved by ITAT's order, Revenue preferred an appeal before Hon'ble High Court.

Held:

Hon'ble High Court observed that S.55A specifically provides that if AO is of the opinion that value disclosed by the assessee is less than fair market value, only then he can make a reference to DVO. Formation of such opinion should have rational connection with the material brought on record. It should not be based on extraneous or irrelevant reasons. In this case, AO had not brought on record anything on record indicating that assessee had disclosed lesser selling price of the property. Therefore the reference to DVO itself was not permissible under the law.

Ram PrakashSingeshwarRungta vs. ITO
SCA No.9032 of 2014 (Guj HC)

Facts:

AO passed an order u/s 179(1) of the Act whereby petitioners (i.e. Directors of Pvt. Co.) have been jointly and severally held liable for payment of outstanding demand of Pvt. Co. in which they were directors. Aggrieved by the same, assessee preferred a writ petition before the Hon'ble High Court.

Held:

Notice issued u/s 179 as well as order passed u/s 179(1) was completely silent on the steps taken by the revenue for recovery of outstanding dues. Also, nothing has been stated regarding misfeasance or breach of duty on the part of directors due to which tax dues of the company couldn't be recovered. In absence of any finding as required for invoking S.179, no order could have been passed u/s 179(1) of the Act.

CIT vs. Bhagwati Spherocast Ltd.
Tax Appeal Nos.223 of 2003 (Guj HC)

Facts:

Assessee is carrying on the business of manufacturing High Cast Iron specialized casting. Assessee installed certain equipment in the premises of its sister concern due to lack of space. Assessee had claimed lease rental during the year under consideration. AO was of the view that since the machinery were not used by the assessee but were used by its sister concern for which no rent was charged from it, it was deemed income for avoiding tax and therefore, the same was not admissible. CIT(A) upheld the order passed by AO whereas ITAT decided the issue in assessee's favor. Aggrieved by the same, revenue preferred tax appeal before High Court.

Held:

Hon'ble High Court observed that for the use of such machinery by sister concern, assessee was recovering service charge of Rs.5,000/-. Further, assessee had paid lease rental in other years as well which came to be allowed after detailed scrutiny. Even ITAT had allowed lease rent in various other assessment years. It was thus held that, there being no material change in justifying the revenue to take a different view, Revenue couldn't have taken different and contradictory view during the year under consideration.

Virendra R. Gandhi vs. ACIT
Tax Appeal No.230 of 2003 (Guj HC)

Facts:

AO made disallowance u/s 57(iii) in respect of interest paid by the assessee which came to be upheld by CIT(A) as well as ITAT. Being aggrieved by the same, assessee preferred tax appeal before Hon'ble High Court.

Held:

Hon'ble High Court observed that assessee was maintaining one common account in which all his income was deposited and from which, withdrawal for all expenditure was done. Further, interest on the same borrowing has been allowed in immediately preceding assessment year. Following the decision of Hon'ble Karnataka High Court in the case of "Sridev Enterprises 192 ITR 165" it was held that it would not be equitable to permit the revenue to take a different stand subsequently in respect of amounts which were subject matter of previous year's assessment. Hon'ble High Court held that once interest is allowed in previous year and if there is no change in the condition, then it cannot be disallowed in subsequent year. Accordingly, the impugned addition was deleted.

CIT vs. S.P. Mehta Memorial Trust
Tax Appeal Nos.187 of 2005 (Guj HC)

Facts:

Assessee is a Trust. AO found that the assessee-trust had invested certain amount in GLFL and claimed exemption u/s 11(5). AO was of the view that such investment was not a specified investment and hence, assessee was not entitled for exemption u/s 11(5). Accordingly, AO disallowed the claim of exemption and the entire amount was added to the assessee's income. CIT(A) as well as ITAT deleted the said addition. Hence, Revenue preferred an appeal before Hon'ble High Court.

Held:

Following the decision of Karnataka High Court in the case of "CIT vs. Fr. Mullers Charitable Institutions - 363 ITR 230", it was held that it is only the income from such investment or deposit which has been made in violation of S.11(5) is liable to be taxed. Violation of S.13(1)(d) does not result in denial of exemption u/s 11 to the total income of the assessee and that where whole or part of relevant income is not exempted u/s 11 by virtue of S.13(1)(d) of the Act, tax shall be levied on relevant income or part of such relevant income at maximum marginal rate. Accordingly, it was held that if the prescribed conditions are violated, then only such income which has been earned in violation of S.11(5) shall lose exemption. Revenue's appeal was thus dismissed.

Smt. Neelamben Gopaldas Agarwal vs. ITO
Tax Appeal Nos.600 of 2005 (Guj HC)

Facts:

Assessee received a gift from a non-resident Indian by way of cheque from his NRE account. AO held that financial capacity of donor was not proved u/s 68 and

hence, the said gift was treated as unexplained cash credit u/s 68.

Held:

Hon'ble High Court observed that the gift received by cheque was backed by Gift Deed executed by donor and also the bank certificate. Assessee had produced complete details of identity of the donor. "Murlidhar Lahorimal vs. CIT - 280 ITR 512" - assessee cannot be asked to prove source of source. Gift Tax Act nowhere provides that a gift by somebody who is not creditworthy is not a gift. Thus, in light of the above discussed law and the evidences furnished by assessee being gift deed executed by donor, bank certificate and the fact that the gift has been received by cheque and that too from NRE account, the impugned addition was deleted.

DCIT vs. Sayaji Industries Ltd.
Tax Appeal No.331 of 2004 (Guj HC)

Facts:

Assessee paid technical know-how fees during the year under consideration and claimed the same as "Revenue expenditure". AO was of the view that such expenditure shall fall within the ambit of S.35AB. Accordingly, AO held that assessee couldn't have claimed entire deduction in the assessment year under consideration. Rather, assessee ought to have amortized the same as provided u/s 35AB and spread it over six years. CIT(A) decided the issue against the assessee whereas ITAT took a view in assessee's favor. Aggrieved by ITAT's order, Revenue preferred tax appeal before High Court.

Held:

Hon'ble High Court observed that the expenditure was purely "Revenue" in nature. Assessee had not purchased or obtained ownership of such technical know-how. Assessee was merely a licensee under which it could use a know-how for the purpose of its business temporarily. It was further observed that Hon'ble Apex Court, in the case of "CIT vs. Swaraj Engines Ltd. - 309 ITR 443", had held that for the applicability of S.35AB, nature of expenditure is required to be decided at the threshold because if the expenditure is found to be "Revenue" in nature, then S.35AB shall not apply. However, if the expenditure is "Capital" in nature, then question of amortization and spread over, as contemplated by S.35AB, would certainly come into play. It was further observed that CBDT had come out with a Circular No.421 dated 12.6.85 wherein it was clarified that the new section 35AB was inserted with a view to provide further encouragement for indigenous scientific research.

Such provision was made for making available benefits which were hitherto not available to manufacturers while incurring expenditure for acquisition of technical know-how. If such expenditure was "capital" in nature prior to insertion of S.35AB, no deduction could have been claimed. Thus, S.35AB was an enabling provision and not for limiting benefits which were already existing. In light of the above, it was held that S.35AB is not applicable in case of revenue expenditure.

DCIT vs. Gujarat Filaments Ltd.
Tax Appeal No.437 of 2000 (Guj HC)

Facts:

Assessee changed its method of providing depreciation from "Straight Line Method (SLM)" to "Written Down Value (WDV)" during the year under consideration which resulted into shortfall in depreciation. Such shortfall was charged to P&L account. AO disallowed claim of such additional depreciation on the count that S.205 of Companies Act does not entitle an assessee to claim depreciation for earlier years placing reliance on "McDowell and Co. vs. CTO - 154 ITR 148". On appeal, CIT(A) upheld assessee's contention and directed AO to recompute book profit without disallowing additional claim of depreciation and the said view was upheld by ITAT. Hence, revenue preferred tax appeal before High Court.

Held:

Hon'ble High Court held that change in method of accounting for depreciation from SLM to WDV was in accordance with Accounting Standards issued by ICAI. Hon'ble Apex Court, in the case of "Apollo Tyres Ltd. vs. CIT - 255 ITR 273", had held that AO, while computing book profit, has only the power of examining whether books of accounts are certified by authorities under Companies Act. AO has limited power to make adjustments to such book profit as governed vide Explanation to the said section. AO has no jurisdiction to go behind the net profits shown in P&L account except to the extent of prescribed adjustments. Further, in the case of "CIT vs. Rubamin (P) Ltd.", Hon'ble Gujarat High Court was called upon to decide as to whether ITAT was right in upholding deletion of addition made in respect of difference in amount of depreciation as a result of change in method of providing depreciation from SLM to WDV. Hon'ble High Court, following the ratio laid down in the case of Apollo Tyres Ltd., decided the said issue in assessee's favor. Following the ratio laid down in "Rubamin (P) Ltd.", the issue was decided in assessee's favor and deletion of addition to books profit in respect of additional depreciation consequent to change in method of accounting for depreciation was upheld by High Court.

JURISDICTION CHART

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD – 1
(3rd Floor, "C" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

Addl / Jt. Commissioner of Income Tax Range 1(1)
(3rd Floor, "A" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------------------|---------------------|--|----------------------|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 1(1)(1) | A or B | Whose income or loss exceeds Rs. 30 Lacs | Ahmedabad District | All cases of Companies whose names begins with the Alphabet AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - 1 at Pratyaksh Kar Bhavan, 3rd Floor, "A" Block - Room No. A - 307 |
| DCIT / ACIT CIRCLE 1(1)(2) | C or D | | | | |
| ITO Ward 1(1)(1) | AA to AM | Whose income or loss is upto Rs. 30 Lacs | | | |
| ITO Ward 1(1)(2) | B & AN to AP | | | | |
| ITO Ward 1(1)(3) | C & AQ, AR,AT,AU,AV | | | | |
| ITO Ward 1(1)(4) | D & AS, AW to AZ | | | | |

Addl / Jt. Commissioner of Income Tax Range 1(2)
(1st Floor, "A" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|----------------------------|------------------|--|---|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 1(2) | All cases | Whose income or loss exceeds Rs. 20 Lacs | KALUPUR, DARIAPUR, MADHUPURA, DUDHESWAR | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city mention in column no. 4 | CIT (A) - 10 at Pratyaksh Kar Bhavan, 1st Floor, "A" Block, Room No. A - 107 |
| ITO Ward 1(2)(1) | A to D | Whose income or loss is upto Rs. 20 Lacs | | | |
| ITO Ward 1(2)(2) | E to K | | | | |
| ITO Ward 1(2)(3) | L to O | | | | |
| ITO Ward 1(2)(4) | S to V | | | | |
| ITO Ward 1(2)(5) | P, Q, R, W to Z | | | | |

Addl / Jt. Commissioner of Income Tax Range 1(3)
(1st Floor, "B" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

| (1st Floor, "B" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad) | | | | | |
|---|------------------|---|--|--|--|
| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 1(3) | All cases | Whose income or loss exceeds Rs. 20 Lacs and in case of Companies Rs. 30 Lacs | STOCK BROKERS & RAIKHAD, SHAHPUR, KHADIA, JAMALPUR, USMANPURA (SP STADIUM) | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area of Municipal Wards of Ahmedabad city mention in cloumn no. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - 10 at Pratyaksh Kar Bhavan, 1st Floor, "A" Block, Room No. A - 107 |
| ITO Ward1(3)(1) | A , B , D, E , F | Whose income or loss upto Rs. 20 Lacs and in case of Companies Rs. 30 Lacs | | | |
| ITO Ward1(3)(2) | C, G, H, I, J, L | | | | |
| ITO Ward1(3)(3) | K, M | | | | |
| ITO Ward1(3)(4) | N TO R | | | | |
| ITO Ward1(3)(5) | S TO Z | | | | |

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD – 2
(1st Floor, Navjeevan Trust Building, Ahmedabad)

Addl / Jt. Commissioner of Income Tax Range 2(1)
(1st Floor, Navjeevan Trust Building, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------------------|------------------|--|----------------------|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 2(1)(1) | E, F, G, H, I | Whose income or loss exceeds Rs. 30 Lacs | AHMEDABAD DISTRICT | All cases of Companies whose names begins with the Alphabet AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - 2 at Pratyaksh Kar Bhavan, 4th Floor, "A" Block, Room No. A - 407 |
| DCIT / ACIT CIRCLE 2(1)(2) | J, K, L, M | | | | |
| ITO Ward 2(1)(1) | E, G | Whose income or loss is upto Rs. 30 Lacs | | | |
| ITO Ward 2(1)(2) | J, K | | | | |
| ITO Ward 2(1)(3) | F, H, I, L | | | | |
| ITO Ward 2(1)(4) | M | | | | |

Addl / Jt. Commissioner of Income Tax Range 2(2)
(1st Floor, C U Shah College Building, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------------|------------------|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 2(2) | All cases | Whose income or loss exceeds Rs. 20 Lacs | NARANPURA, JUNA VADAJ, NAVA VADAJ, RANIP, SABARMATI, CHANDKHEDA, MOTERA, KALI | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city mention in cloumn no. 4 | CIT (A) - 10 Pratyaksh Kar Bhavan, 1st Floor, "A" Block, Room No. A - 107 |
| ITO Ward 2(2)(1) | A to D | Whose income or loss is upto Rs. 20 Lacs | | | |
| ITO Ward 2(2)(2) | E to K | | | | |
| ITO Ward 2(2)(3) | L to O | | | | |
| ITO Ward 2(2)(4) | P TO R | | | | |
| ITO Ward 2(2)(5) | S TO Z | | | | |

Addl / Jt. Commissioner of Income Tax Range SABARKANTHA
(Ambalal Complex, B/H Mehta Petrol Pump, Himmatnagar - 383001)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|----------------------------|------------------|---|--|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 2(2) | All cases | Whose income or loss exceeds Rs. 15 Lacs and in case of Companies Rs. 20 Lacs | DISTRICTS OF SABARKANTHA AND ARVALI | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area of Municipal Wards of Ahmedabad city mention in column no. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - 2 at Pratyaksh Kar Bhavan, 4th Floor, "A" Block, Room No. A - 407 |
| ITO Ward 1 Himmatnagar | All cases | Whose income or loss upto Rs. 15 Lacs and in case of Companies Rs. 20 Lacs | TALUKAS OF TALOD, KHEDBRAHMA, VADALI, BHILODA | | |
| ITO Ward 2 Himmatnagar | All cases | | TALUKAS OF PRANTIJ, IDAR, VIJAYNAGAR | | |
| ITO Ward 3 Himmatnagar | All cases | | TALUKA OF HIMMATNAGAR | | |
| ITO Ward 4 Himmatnagar | All cases | Whose income or Loss upto Rs. 15 Lacs | DISTRICTS OF SABARKANTHA | All new cases, non-filers of Income Tax Returns and cases of u/s 50C of the IT Act, 1961 | |
| ITO Ward 1 MODASA | All cases | Whose income or Loss upto Rs. 15 Lacs | TALUKAS OF MODASA, BAYAD, DHANSURA, MEGHRAJ AND MALPUR | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area mention in column no. 4 | |

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD – 3
(4th Floor, "B" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

Addl / Jt. Commissioner of Income Tax Range 3(1)
(4th Floor, "B" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------------------|------------------|--|----------------------|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 3(1)(1) | N, O, P | Whose income or loss exceeds Rs. 30 Lacs | Ahmedabad District | All cases of Companies whose names begins with the Alphabet AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - 9 at Pratyaksh Kar Bhavan, 4th Floor, "B" Block, Room No. B - 407 |
| DCIT / ACIT CIRCLE 3(1)(2) | Q, R | | | | |
| ITO Ward 3(1)(1) | N | | | | |
| ITO Ward 3(1)(2) | PA TO PI, Q | | | | |
| ITO Ward 3(1)(3) | R | | | | |
| ITO Ward 3(1)(4) | PJ TO PZ, O | Whose income or loss is upto Rs. 30 Lacs | | | |

Addl / Jt. Commissioner of Income Tax Range 3(2)
(5th Floor, "A" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|----------------------------|------------------|--|---|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 3(2) | All cases | Whose income or loss exceeds Rs. 20 Lacs | RAMOL - HATHIJAN, VATVA, ISANPUR, LAMBHA, GHODASAR AND TALUKAS VIRAMGAM, MANDAL, DETROJ, SANAND, BAVLA, DHOLKA, DHANDHUKA AND DASKROI | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city AND areas as mention in column no. 4 | CIT (A) - 3 at Pratyaksh Kar Bhavan, 5th Floor, "A" Block, Room No. A - 507 |
| ITO Ward 3(2)(1) | A to D | Whose income or loss is upto Rs. 20 Lacs | VIRAMGAM, MANDAL, DETROJ, SANAND, BAVLA, DHOLKA, DHANDHUKA, DASKROI | | |
| ITO Ward 3(2)(2) | E to K | | | | |
| ITO Ward 3(2)(3) | L to O | | | | |
| ITO Ward 3(2)(4) | P TO R | | | | |
| ITO Ward 3(2)(5) | S TO Z | | | | |

Addl / Jt. Commissioner of Income Tax Range 3(2)
(5th Floor, "A" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------|------------------|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| ITO Ward 3(2)(6) | A to D | Whose income or loss is upto Rs. 20 Lacs | RAMOL - HATHIJAN, VATVA, ISANPUR, LAMBHA, GHODASAR | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city as mention in column no. 4 | CIT (A) - 3 at Pratyaksh Kar Bhavan, 5th Floor, "A" Block, Room No. 506 |
| ITO Ward 3(2)(7) | E to K | | | | |
| ITO Ward 3(2)(8) | L to O | | | | |
| ITO Ward 3(2)(9) | P TO R | | | | |
| ITO Ward 3(2)(10) | S TO Z | | | | |

Addl / Jt. Commissioner of Income Tax Range 3(3)
(5th Floor, "B" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|----------------------------|------------------|--|---|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 3(3) | All cases | Whose income or loss exceeds Rs. 20 Lacs | VEJALPUR, JODHPUR, BODAKDEV, THALTEJ, SARKHEJ, NIKOL, VASTRAL, ODHAV, ARBUDA NAGAR, MAHAVIR NAGAR, VIRATNAGAR | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city as mention in column no. 4 | CIT (A) - 3 at Pratyaksh Kar Bhavan, 5th Floor, "A" Block, Room No. 506 |
| ITO Ward 3(3)(1) | A to D | Whose income or loss is upto Rs. 20 Lacs | VEJALPUR, JODHPUR, BODAKDEV, THALTEJ, SARKHEJ | | |
| ITO Ward 3(3)(2) | E to K | | | | |
| ITO Ward 3(3)(3) | L to O | | | | |
| ITO Ward 3(3)(4) | P TO R | | | | |
| ITO Ward 3(3)(5) | S TO Z | | | | |

Addl / Jt. Commissioner of Income Tax Range 3(3)
(Nature View Building, Ashram Road, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------|------------------|--|-----------------------|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| ITO Ward 3(3)(6) | A to D | Whose income or loss is upto Rs. 20 Lacs | NIKOL, VASTRAL, ODHAV | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city as mention in column no. 4 | CIT (A) - 3 at Pratyaksh Kar Bhavan, 5th Floor, "A" Block, Room No. 506 |
| ITO Ward 3(3)(7) | E to K | | | | |
| ITO Ward 3(3)(8) | L to O | | | | |
| ITO Ward 3(3)(9) | P TO R | | | | |
| ITO Ward 3(3)(10) | S TO Z | | | | |

Addl / Jt. Commissioner of Income Tax Range 3(3)
(Nature View Building, Ashram Road, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------|------------------|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| ITO Ward 3(3)(11) | A to D | Whose income or loss is upto Rs. 20 Lacs | ARBUDANAGAR, MAHAVIR NAGAR, VIRATNAGAR | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city as mention in column no. 4 | CIT (A) - 3 at Pratyaksh Kar Bhavan, 5th Floor, "A" Block, Room No. 506 |
| ITO Ward 3(3)(12) | E to K | | | | |
| ITO Ward 3(3)(13) | L to O | | | | |
| ITO Ward 3(3)(14) | P TO R | | | | |
| ITO Ward 3(3)(15) | S TO Z | | | | |

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD - 4
(3rd Floor, "C" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

Addl / Jt. Commissioner of Income Tax Range 4(1)
(2nd Floor, "B" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|----------------------------|--|--|----------------------|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 4(1)(1) | S, U, W, Y | Whose income or loss exceeds Rs. 30 Lacs | Ahmedabad District | All cases of Companies whose names begins with the Alphabet AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - 8 Pratyaksh Kar Bhavan, 2nd Floor, "B" Block, Room No. B - 207 |
| DCIT / ACIT CIRCLE 4(1)(2) | T, V, X, Z | | | | |
| ITO Ward 4(1)(1) | SA TO SG, SI, T | | | | |
| ITO Ward 4(1)(2) | SJ, SK, SL, SM, SN, SO, SP, SQ, SR, SS, ST, SU, SV, SW, SX, SY, SZ | | | | |
| ITO Ward 4(1)(3) | SH | | | | |
| ITO Ward 4(1)(4) | U, V, W, X, Y, Z | Whose income or loss is upto Rs. 30 Lacs | | | |

Addl / Jt. Commissioner of Income Tax Range 4(2)
(2nd Floor, "A" Block, Pratyaksh Kar Bhavan, Ambawadi, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------------|------------------|--|---|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 4(2) | All cases | Whose income or loss exceeds Rs. 20 Lacs | GHATLODIYA, CHANDLODIYA, GOTA AND ALL PROFESSIONALS (Legal, medical, engineering, architectural profession or the profession of accountancy or interior decoration or any other profession as is notified by the Board in the Official Gazette u/s 44aa (1) of th I T Act) | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city as mention in column no. 4 | CIT (A) - 4 Pratyaksh Kar Bhavan, 2nd Floor, "A" Block, Room No. A - 207 |
| ITO Ward 4(2)(1) | A to D | Whose income or loss is upto Rs. 20 Lacs | | | |
| ITO Ward 4(2)(2) | E to K | | | | |
| ITO Ward 4(2)(3) | L to O | | | | |
| ITO Ward 4(2)(4) | P TO R | | | | |
| ITO Ward 4(2)(5) | S TO Z | | | | |

Addl / Jt. Commissioner of Income Tax Range - BANASKANTHA
(Gathamani Gate, Palanpur)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|----------------------------------|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE - BANASKANTHA | All cases | Whose income or loss exceeds Rs. 15 Lacs and in case of Companies Rs. 20 Lacs | DISTRICTS OF BANASKANTHA | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area of Municipal Wards of Ahmedabad city as mention in column no. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - 4 Pratyaksh Kar Bhavan, 2nd Floor, "A" Block, Room No. A - 207 |
| ITO Ward 1 PALANPUR | A TO R | Whose income or loss upto Rs. 15 Lacs | PALANPUR TALUKA | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area as mention in column no. 4 | |
| ITO Ward 2 PALANPUR | A TO N | Whose income or loss upto Rs. 15 Lacs | DEESA TALUKA | | |
| ITO Ward 3 PALANPUR | All cases | Whose income or loss upto Rs. 15 Lacs | TALUKA OF DEODAR, BHABHAR, WAV, THARAD, DHANERA | | |
| ITO Ward 4 PALANPUR | O TO Z AND ALL CASES OF TALUKAS OF VADGAM, DANTA, DANTIWADA, KANKREJ AND AMIRGADH | Whose income or Loss upto Rs. 15 Lacs | DEESA TALUKA AND TAUkas OF VADGAM, DANTA, DANTIWADA, KANKREJ AND AMIRGADH | | |
| ITO Ward 5 PALANPUR | S TO Z | Whose income or Loss upto Rs. 15 Lacs | PALANPUR TALUKA | | |

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD – 5
(Narayan Chambers, Ashram Road, Ahmedabad)

Addl / Jt. Commissioner of Income Tax Range 5(1)
(5th Floor, Nature View Building, Ashram Road, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------------|---|--|---|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 5(1) | All cases | Whose income or loss exceeds Rs. 20 Lacs | All schools within the Municipal Limits of Ahmedabad City and AUDA, Limited Companies (including Pvt Ltd Companies), Gujarat University and all Colleges of Ahmedabad Dist., AMC including employees of V.S., L.G., Sharda Bai and Nagri Hospitals, Primary school run by TDO and DDO | Persons being Individual whose source of income is from SALARY only and who are employees of Entity as mention in column no. 4 | CIT (A) - 5 Nature View Building, 1st Floor, Room No. 109 |
| ITO Ward 5(1)(1) | Gujarat University and Salary Employee of LTD Co. [E to H] | Whose income or loss is upto Rs. 20 Lacs | Gujarat University and all Colleges in Ahmedabad Dist. And Limited Companies starting with Alphabets E to H | | |
| ITO Ward 5(1)(2) | All schools of AMC and AUDA and Salary Employee of LTD Co. [U to Z] | | All schools within the Municipal Limits of Ahmedabad City and AUDA and Limited Companies starting with Alphabets U to Z | | |
| ITO Ward 5(1)(3) | Employees of AMC and Salary Employee of LTD Co. [A to D] | | AMC including employees of V.S., L.G., Sharda Bai and Nagri Hospitals and Limited Companies whose name starting with alphabets A to D | | |
| ITO Ward 5(1)(4) | Primary School Run by TDO & DDO and Salary Employee of LTD Co. [T] | | Primary Schools run by TDO and DDO and Limited Companies whose name starting with alphabets T | | |
| ITO Ward 5(1)(5) | Salary Employee of LTD Co. [I to S] | | Limited Companies whose name starting with alphabets I to S | | |

Addl / Jt. Commissioner of Income Tax Range 5(2)
(Narayan Chambers, Ashram Road, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------------|------------------|--|------------------------------|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 5(2) | A TO Z | Whose income or loss exceeds Rs. 20 Lacs | VASNA, NAVRANGPURA, AMBAWADI | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city as mention in column no. 4 | CIT (A) - 5 Nature View Building, 1st Floor, Room No. 109 |
| ITO Ward 5(2)(1) | A TO Z | Whose income or loss is upto Rs. 20 Lacs | VASNA | | |
| ITO Ward 5(2)(2) | A TO J | | NAVRANGPURA | | |
| ITO Ward 5(2)(3) | A TO Z | | AMBAWADI | | |
| ITO Ward 5(2)(4) | Q TO Z | | NAVRANGPURA | | |
| ITO Ward 5(2)(5) | K TO P | | NAVRANGPURA | | |

Addl / Jt. Commissioner of Income Tax Range 5(3)
(Narayan Chambers, Ashram Road, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------------|------------------|--|--|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 5(3) | A TO Z | Whose income or loss exceeds Rs. 20 Lacs | PALDI, KANKARIA, BAPUNAGAR, INDIA COLONY, GOMTIPUR | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city as mention in column no. 4 | CIT (A) - 5 Nature View Building, 1st Floor, Room No. 109 |
| ITO Ward 5(3)(1) | A TO M | Whose income or loss is upto Rs. 20 Lacs | PALDI | | |
| ITO Ward 5(3)(2) | N TO Z | | PALDI | | |
| ITO Ward 5(3)(3) | A TO P | | BAPUNAGAR, INDIA COLONY, GOMTIPUR | | |
| ITO Ward 5(3)(4) | A TO P | | KANKARIA | | |
| ITO Ward 5(3)(5) | Q TO Z | | BAPUNAGAR, INDIA COLONY, GOMTIPUR, KANKARIA | | |

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD - 6
(Narayan Chambers, Ashram Road, Ahmedabad)

Addl / Jt. Commissioner of Income Tax Range 6(1)
(Narayan Chambers, Ashram Road, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------------|------------------|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 6(1) | A TO Z | Whose income or loss exceeds Rs. 20 Lacs | RAKHIAL, BEHRAMPURA, DANILIMDA, SARASPUR, INDRAPURI (Bagh e Firdoush), MANINAGAR, MEGHANINAGAR, AMRAIWADI, KHOKHARA, RAJPUR, BHAIPURA - HATKESHWAR, ASARWA, GIRDHARNAGAR | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city as mention in column no. 4 | CIT (A) - 6 at Aaykar Bhavan, Ground Floor, Room No. 22 & 23 |
| ITO Ward 6(1)(1) | M TO Z | Whose income or loss is upto Rs. 20 Lacs | RAKHIAL, BEHRAMPURA, AMRAIWADI, INDRAPURI (Bagh e Firdoush) | | |
| ITO Ward 6(1)(2) | A TO L | | MANINAGAR, MEGHANINAGAR, KHOKHARA, GIRDHARNAGAR | | |
| ITO Ward 6(1)(3) | M TO Z | | DANILIMDA, SARASPUR, RAJPUR, ASARWA, BHAIPURA - HATKESHWAR | | |
| ITO Ward 6(1)(4) | A TO L | | | | |
| ITO Ward 6(1)(5) | A TO Z | | | | |

Addl / Jt. Commissioner of Income Tax Range - BHAVNAGAR

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-----------------------------------|------------------|--|--|--|------------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE - 1, Bhavnagar | All cases | Whose income or loss exceeds Rs. 15 Lacs and in cases of Companies Rs. 20 Lacs | DISTRICT OF BHAVNAGAR AND AREAS OF OLD WARD NO. 10, 13, 15, 16, 17, 18, 19 & 20 OF MUNICIPL CORPORATION OF BHAVNAGAR | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - Rajkot |
| ITO Ward 1 (1), Bhavnagar | All cases | Whose income or loss UPTO Rs. 15 Lacs AND No return of Income filed | THE AREA OF OLD WARD NO. 10, 13, 17 AND 18 OF BHAVNAGAR MUNICIPAL CORPORATION | Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 | |
| ITO Ward 1 (2), Bhavnagar | A TO L | Whose income or loss UPTO Rs. 15 Lacs and in case of Companies Rs. 20 Lacs AND No return of Income filed | DISTRICT OF BHAVNAGAR AND AREAS OF OLD WARD NO. 15, 16, 19 & 20 OF MUNICIPL CORPORATION OF BHAVNAGAR | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | |
| ITO Ward 1 (3), Bhavnagar | All cases | Whose income or loss UPTO Rs. 15 Lacs AND No return of Income filed | DISTRICT OF BHAVNAGAR | Income from SALARY and who does not have any business income and who are employees of Government | |
| ITO Ward 1 (4), Bhavnagar | All cases | | | Income from SALARY and who does not have any business income and who are employees other than Government | |
| ITO Ward 1 (5), Bhavnagar | M TO Z | Whose income or loss UPTO Rs. 15 Lacs and in case of Companies Rs. 20 Lacs AND No return of Income filed | DISTRICT OF BHAVNAGAR AND AREAS OF OLD WARD NO. 15, 16, 19 & 20 OF MUNICIPL CORPORATION OF BHAVNAGAR | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | |

Addl / Jt. Commissioner of Income Tax Range - BHAVNAGAR

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|---|---------------------|--|---|--|------------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE - 2, Bhavnagar | All cases | Whose income or loss exceeds Rs. 15 Lacs and in cases of Companies Rs. 20 Lacs | DISTRICT OF BHAVNAGAR AND AREAS OF OLD WARD NO. 1 to 9, 11, 12, & 14 OF MUNICIAPL CORPORATION OF BHAVNAGAR AND TALUKAS OF BHAVNAGAR DIST. - PALITANA, GARIADHAR, GHOGHA, SIHOR, MAHUVA, TALAJA, UMRALA AND VALLABHIPUR AND DIST. OF BOTAD | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - Rajkot |
| ITO Ward 2 (1), Bhavnagar | All cases | Whose income or loss UPTO Rs. 15 Lacs AND No return of Income filed | THE AREA OF OLD WARD NO. 3 OF BHAVNAGAR MUNICIPAL CORPORATION AND PALITANA TALUKA OF BHAVNAGAR | Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 | |
| ITO Ward 2 (2), Bhavnagar | All cases | | AREAS OF OLD WARD NO. 1, 4 TO 9 OF MUNICIAPL CORPORATION OF BHAVNAGAR | | |
| ITO Ward 2 (3), Bhavnagar | All cases | | AREAS OF OLD WARD NO.2, 11 & 12 OF MUNICIAPL CORPORATION OF BHAVNAGAR AND GARIDHAR, GHOGHA & SHIHOR TALUKA OF BHAVNAGAR DIST | | |
| ITO Ward 2 (4), Bhavnagar | All cases | | AREAS OF OLD WARD NO.14 OF MUNICIAPL CORPORATION OF BHAVNAGAR AND MAHUVA, TALAJA, UMRALA & VALLBHIPUR TALUKA OF BHAVNAGAR DIST | | |
| ITO Ward 2 (5), Bhavnagar | All cases | Whose income or loss UPTO Rs. 15 Lacs and in case of Companies Rs. 20 Lacs AND No return of Income filed. | DISTRICT OF BOTAD | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above AND All Salary income whether employees of Government and other than Government of areas mention in column no. 4 | |

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD – 7
(7th Floor, Nature View Building, Ashram Road, Ahmedabad)

Addl / Jt. Commissioner of Income Tax Range 7(1)
(Nature View Building, Ashram Road, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|----------------------------|---------------------|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 7(1) | All cases | Whose income or loss exceeds Rs. 20 Lacs | CENTRAL GOVERNMENT, STATE GOVERNMENT, GOVERNMENT UNDERTAKINGS, ALL CORPORATIONS OF CENTRAL & STATE GOVERNMENT, SCHOOLS OUTSIDE MUNICIPAL LIMITS OF AHMEDABAD CITY AND AUDA other than Primary Schools run by TDOs & DDOs, BANK including BANKING COMPANIES, ANY OTHER EMPLOYER NOT SPECIFICALLY MENTIONED ELSEWHERE IN THIS ORDER | Persons being Individual whose source of income is from SALARY only and who are employees of Entity mention in column no. 4 | CIT (A) - 7 Nature View Building, 4th Floor, Room No. 406 |
| ITO Ward 7(1)(1) | All cases | Whose income or loss is upto Rs. 20 Lacs | EMPLOYEES OF CENTRAL GOVERNMENT | | |
| ITO Ward 7(1)(2) | All cases | Whose income or loss is upto Rs. 20 Lacs | EMPLOYEES OF ANY BANK INCLUDING BANKING COMPANIES | | |
| ITO Ward 7(1)(3) | All cases | Whose income or loss is upto Rs. 20 Lacs | EMPLOYEES OF STATE GOVERNMENT AND SCHOOLS OUTSIDE MUNICIPAL LIMITS OF AHMEDABAD CITY AND AUDA OTHER THAN PRIMARY SCHOOLS RUN BY TDOs AND DDOs | | |
| ITO Ward 7(1)(4) | All cases | Whose income or loss is upto Rs. 20 Lacs | SALARY INCOME OTHER THAN ABOVE | | |
| ITO Ward 7(1)(5) | All cases | Whose income or loss is upto Rs. 20 Lacs | ALL CORPORATIONS OF CENTRAL & STATE GOVERNMENT, GOVERNMENT UNDERTAKINGS INCLUDING ISRO, PRL, ONGC, AND MEDICAL SERVICES OF STATE AND CENTRAL GOVERNMENT INCLUDING CIVIL HOSPITAL, B J MEDICAL, CANCER RESEARCH, CGHS AND ESIS | | |

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD – 7
(7th Floor, Nature View Building, Ashram Road, Ahmedabad)

Addl / Jt. Commissioner of Income Tax Range 7(2)
(Nature View Building, Ashram Road, Ahmedabad)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|----------------------------|---------------------|---|---|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE 7(2) | A TO Z | Whose income or loss exceeds Rs. 20 Lacs | SARDARNAGAR, KUBERNAGAR, KRISHNANAGAR, THAKKAR BAPANAGAR, SAIJPUR BOGHA, NARODA, NARODA ROAD, NOBLE NAGAR | All the cases of Person other than Companies deriving income from Sources Other than income from Business or Profession AND Income from Business or profession is within territorial area of Municipal Wards of Ahmedabad city mention in column no. 4 | CIT (A) - 7 at Nature View Building, 4th Floor, Room No. 406 |
| ITO Ward 7(2)(1) | A TO D | Whose income or loss is upto Rs. 20 Lacs | | | |
| ITO Ward 7(2)(2) | E TO K | | | | |
| ITO Ward 7(2)(3) | L TO O | | | | |
| ITO Ward 7(2)(4) | P TO R | | | | |
| ITO Ward 7(2)(5) | S TO Z | | | | |

Addl / Jt. Commissioner of Income Tax Range - Surendranagar
(Surendranagar)

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|--|---------------------|---|--|--|------------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE - Surendranagar | All cases | Whose income or loss exceeds Rs. 15 Lacs and all cases of Companies | DISTRICT OF SURENDRANAGAR | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - Rajkot |
| ITO Ward 1, Surendranagar | All cases | Whose income or loss upto Rs. 15 Lacs AND No return of Income filed | TALUKAS OF SURENDRANAGAR - WADHWAN, PATDI, CHUDA, CHOTILA, LAKHTAR, DASADA | Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 | |
| ITO Ward 2, Surendranagar | All cases | | SURENDRANAGAR TOWN OF SURENDRANAGAR DISTRICT | | |
| ITO Ward 3, Surendranagar | All cases | | DHRANGDHARA TALUKA OF DIST. SURENDRANAGAR AND SURENDRANAGAR TOWN OF SURENDRANAGAR DIST. | Persons other than Companies deriving income from OTHER SOURCES, income from BUSINESS OR PROFESSION and income from SALARY whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 | |
| ITO Ward 4, Surendranagar | All cases | | TALUKAS OF SURENDRANAGAR - SAYLA, MULI, WADHWAN, PATDI, CHUDA, CHOTILA, LAKHTAR, DASADA | | |
| ITO Ward 5, Surendranagar | All cases | | TALUKAS OF SURENDRANAGAR DISTRICTS - LIMBADI AND THANGARH | Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 | |

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD – Gandhinagar

Addl / Jt. Commissioner of Income Tax Range - Gandhinagar

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|--|---------------------|--|--|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE - Gandhinagar | All cases | Whose income or loss exceeds Rs. 15 Lacs and in case of Companies Rs. 20 Lacs | DISTRICTS OF GANDHINAGAR EXCLUDING KALOL TALUKA, MANSA TALUKA INCULding AMRAPUR VILLAGE | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in column no. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - Gandhinagar, Aaykar Bhavan, 3rd Floor, Room No. A - 312 |
| ITO Ward 1 Gandhinagar | A TO F | Whose income or loss UPTO Rs. 15 Lacs and in case of Companies Rs. 20 Lacs | DISTRICTS OF GANDHINAGAR EXCLUDING KALOL TALUKA AND MANSA TALUKA | | |
| ITO Ward 2 Gandhinagar | G TO L | | | | |
| ITO Ward 3 Gandhinagar | M TO R | | | | |
| ITO Ward 4 Gandhinagar | S TO Z | | | | |
| ITO Ward 5 Gandhinagar | All cases | | MANSA TALUKA INCULding AMRAPUR VILLAGE | | |

Addl / Jt. Commissioner of Income Tax Range - Patan

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|-------------------------------|---------------------|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE - Patan | All cases | Whose income or loss exceeds Rs. 15 Lacs and in case of Companies Rs. 20 Lacs | DISTRICT OF PATAN, UNJHA TALUKA OF MEHSANA DISTRICT, MEHSANA DISTRICT - VISNAGAR, VIJAPUR, KHERALU, VADNAGAR, SATLASANA | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in previous column NO. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - Gandhinagar, Aaykar Bhavan, 3rd Floor, Room No. A - 312 |
| ITO Ward 1 Patan | A TO M | Whose income or loss UPTO Rs. 15 Lacs and in case of Companies Rs. 20 Lacs | PATAN DISTRICTS | | |
| ITO Ward 2 Patan | N TO Z | | | | |
| ITO Ward 3 Patan | All cases | | | | |
| ITO Ward 4 Patan, UNJHA | All cases | | | | |
| ITO Ward 5 Patan, MEHSANA | All cases | | TALUKAS OF PATAN DISTRICTS - CHANASMA, SAMI, HARIJ, RADHANPUR, SANTALPUR TALUKAS OF MEHSANA DISTRICTS - UNJHA, KHERALU, VADNAGAR, SATLASANA AND SIDDHPUR TALUKA OF PATAN DISTRICT TALUKAS OF MEHSANA DISTRICTS - VISNAGAR, VIJAPUR | | |

Addl / Jt. Commissioner of Income Tax Range - Mehsana

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|------------------------------------|---------------------|--|---|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE - Mehsana | All cases | Whose income or loss exceeds Rs. 15 Lacs and in case of Companies Rs. 20 Lacs | MEHSANA DISTRICT EXCEPT UNJHA, KALOL TALUKA OF GANDHINAGAR DIST., MEHSANA, KADI, BECHRAJI, GOZARIA | Companies registered under Companies Act 2013 and 1956 and registered office or principal place of business AND Persons other than Companies deriving income from sources other than income from business or profession and income from Business or profession and whose residing and whose principal place of business or profession is within territorial area as mention in column no. 4 AND All cases of Individuals being managing director / director / manager / secretary in the companies referred above | CIT (A) - Gandhinagar, Aaykar Bhavan, 3rd Floor, Room No. A - 312 |
| ITO Ward 1 Mehsana | A TO I | Whose income or loss UPTO Rs. 15 Lacs and in case of Companies Rs. 20 Lacs | MEHSANA TALUKA | | |
| ITO Ward 2 Mehsana | J TO R | | | | |
| ITO Ward 3 Mehsana | S TO Z | | KALOL TALUKA OF GANDHINAGAR DISTRICT | | |
| ITO Ward 4 Mehsana | All cases | | | | |
| ITO Ward 1 KADI | All cases | | KADI, BECHARAJI, GOZARIA | | |

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD – TDS

Addl / Jt. Commissioner of Income Tax Range - TDS

| JURISDICTION 1 | ASSESSEE BREAKUP 2 | CASES OR CLASSES OF CASES 3 | AREA OF JURISDICTION 4 | PERSON OR CLASSES OF PERSON 5 | CIT (APPEALS) 6 |
|----------------------------------|---|---|--|---|---|
| DCIT / ACIT CIRCLE - TDS | All cases | Any Person responsible for deducting or collecting tax at source for the purpose of Chapter XVII B or XVIIIBB located in the territorial area mentioned as and who has deducted / collected or liable to deduct / collect TDS / TCS of Rs. 50 Lacs and Above. AND Any person responsible for deducting or collecting tax at source for the purposes of Chapter XVII B or XVIIIBB located in the territorial area mentioned as has not obtained TAN | AHMEDABAD, ARAVALI, BANASKANTHA, BHAVNAGAR, BOTAD, GANDHINAGAR, MEHSANA, PATAN, SABARKANTHA, SURENDRANAGAR | All powers and functions relating to deduction of tax or collection of tax under Chapter XVII of the I T Act, 1961, including Chapter XIII, XXI, XXII and XXIII of the said Act Other Than Section 194E, 194LB, 194LBA(2), 194LC, 194LD, 195, 196A, 196B, 196C, 196D and 197 of the said Act, assign to Commissioner of Income-tax (International Taxation and Transfer Pricing), Ahmedabad | CIT (A) - 8, Pratyaksh Kar Bhavan, 2nd Floor, "B" Block, Room No. B-206 |
| ITO Ward TDS - 1 | Ahmedabad [A to F] and All cases of Surendranagar, Bhavnagar, Botad | Any Person responsible for deducting or collecting tax at source for the purpose of Chapter XVII B or XVIIIBB located in the territorial area mentioned as and who has deducted / collected or liable to deduct / collect TDS / TCS UPTO Rs. 50 Lacs. | AHMEDABAD [A TO F], SURENDRANAGAR, BHAVNAGAR, BOTAD | | |
| ITO Ward TDS - 2 | Ahmedabad [G to O] and All cases of Mehsana and Patan | | AHMEDABAD [G TO O], MEHSANA AND PATAN | | |
| ITO Ward TDS - 3 | Ahmedabad [P to Z] and All cases of Banaskantha | | AHMEDABAD [P TO Z], BANASKANTHA | | |
| ITO Ward TDS - Gandhinagar | All cases | | GANDHINAGAR, ARAVALI, SABARKANTHA | | |

PRINCIPAL COMMISSIONER OF INCOME TAX AHMEDABAD – EXEMPTIONS

Addl / Jt. Commissioner of Income Tax Range - EXEMPTIONS - 1

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|--|---|--|--|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE (Exemptions) - 1 | All cases | Income Above and Equal to Rs. 5 Cr. | All the Revenue Districts in the State of Gujarat, Union Territory of Diu & Daman and Union Territory of Dadra & Nagar Haveli | All cases of persons within the Territorial Jurisdiction as mentioned and claiming exemption U/S 13A and U/S 13B of the I T Act, 1961 | CIT (A) - 9, Pratyaksh Kar Bhavan, 4th Floor, "B" Block, Room No. B - 407 |
| ITO Ward Exemptions - 1, Ahmedabad | Ahmedabad [A to N] and All cases of Gandhinagar | Below 5 CR | AHMEDABAD [A TO N], GANDHINAGAR | | |
| ITO Ward Exemptions - 2, Ahmedabad | Ahmedabad [O to Z] and All cases of Surendranagar | | AHMEDABAD [O TO Z], SURENDRANAGAR | | |
| ITO Ward Exemptions - Bhavnagar | All cases | | BHAVNAGAR, BOTAD | | |
| ITO Ward Exemptions - Palanpur | All cases | | BANASKANTHA, SABARKANTHA, MEHSANA, PATAN, ARAVALLI | | |

Addl / Jt. Commissioner of Income Tax Range - EXEMPTIONS - 2

| JURISDICTION | ASSESSEE BREAKUP | CASES OR CLASSES OF CASES | AREA OF JURISDICTION | PERSON OR CLASSES OF PERSON | CIT (APPEALS) |
|--|---|---|--|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| DCIT / ACIT CIRCLE (Exemptions) - 2 | All cases | Cases pertaining to Ahmedabad Dist. - Above Rs. 10 CR. AND Cases pertaining to Gandhinagar & Surendranagar Dist. - Rs. 5 Cr. | Revenue District of Baroda, Kheda (Nadiad), Anand, Panchmahal (Godhra), Dahod, Mahisagar, Chhota Udaipur, Bharuch, Narmada, Rajkot, Morbi, Kutch - Bhuj (Gandhidham), Jamnagar, Dev Bhoomi Dwarka, Porbandar, Junagadh, Gir, Somnath, Amreli, Surat, Tapi, Navsari, Valsad, Dang in the State of Gujarat, Union Territory of Diu & Daman and Union Territory of Dadra & Nagar Haveli | All cases of persons within the Territorial Jurisdiction as mentioned and claiming exemption U/S 10 clause (21), (22), (22A), (22B), (23), (23A), (23AAA), (23B), (23C), (23F), (23FA), (24), (46) and (47), U/S 11 and 12 of the I T Act, 1961 | CIT (A) - 9, Pratyaksh Kar Bhavan, 4th Floor, "B" Block, Room No. B - 407 |
| ITO Ward Exemptions, Baroda | All cases | Cases pertaining to Ahmedabad Dist. - Upto Rs. 10 CR. AND Cases pertaining to Gandhinagar & Surendranagar Dist. - Rs. 5 Cr. | BARODA, KHEDA (NADIAD), ANAND, PANCHMAHAL (GODHRA), DAHOD, MAHISAGAR, CHHOTA UDAIPUR, BHARUCH AND NARMADA | | |
| ITO Ward Exemptions, Surat | Ahmedabad [O to Z] and All cases of Surendranagar | Cases upto Rs. 5 Cr | SURAT, TAPI, NAVSARI, VALSAD AND DANG IN THE STATE OF GUJARAT AND UNION TERRITORY OF DADRA NAGAR HAVELI | | |
| ITO Ward Exemptions - 1, Rajkot | All cases | | RAJKOT, MORBI AND KUTCH - BHUJ (GANDHIDHAM) | | |
| ITO Ward Exemptions - 2, Rajkot | All cases | | JAMNAGAR, DEV BHOOMI DWARKA, GIR, PORBANDAR, JUNAGADH, SOMNATH, AMRELI IN THE STATE OF GUJARAT AND UNION TERRITORY OF DIU AND DAMAN | | |

JURISDICTION & LOCATION OF CIT (APPEALS) - DETAILS

| SCHEDULE | | | | | | |
|----------|---|---|--|----------------------|-------|----------|
| Sr. No. | Designation of Income Tax Appellate Authority | Designation of Income Tax Authority | Cases or Class of cases of person | Building | Floor | Room No. |
| 1 | Commissioner of Income-tax (Appeals), Ahmedabad-1 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-1 | All cases of : Addl/Jt.CIT, Special Range-1 Ahmedabad; and Range 1(1), Ahmedabad | Pratyaksh Kar Bhavan | 3 | A - 307 |
| | PS TO CIT(A) 1 | | | Pratyaksh Kar Bhavan | 3 | A - 306 |
| 2 | Commissioner of Income-tax (Appeals), Ahmedabad-2 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-2 | All cases of : Addl/Jt.CIT, Special Range-2 Ahmedabad; and Range 2(1), Ahmedabad and Sabarkantha Range | Pratyaksh Kar Bhavan | 4 | A - 407 |
| | PS TO CIT(A) 2 | | | Pratyaksh Kar Bhavan | 4 | A - 406 |
| 3 | Commissioner of Income-tax (Appeals), Ahmedabad-3 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-3 | All cases of : Addl/Jt.CIT, Special Range-3 Ahmedabad; and Range 3(2) and Range3(3) Ahmedabad | Pratyaksh Kar Bhavan | 5 | A - 507 |
| | PS TO CIT(A) 3 | | | Pratyaksh Kar Bhavan | 5 | A - 506 |
| 4 | Commissioner of Income-tax (Appeals), Ahmedabad-4 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-4 | All cases of : Addl/Jt.CIT, Special Range-4 and Range4(2) Ahmedabad and Banaskantha Range | Pratyaksh Kar Bhavan | 3 | A - 207 |
| | PS TO CIT(A) 4 | | | Pratyaksh Kar Bhavan | 3 | A - 206 |
| 5 | Commissioner of Income-tax (Appeals), Ahmedabad-5 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-5 | All Cases | Nature View Building | 1 | 109 |
| | PS TO CIT(A) 5 | | | Nature View Building | 1 | 109 - A |
| 6 | Commissioner of Income-tax (Appeals), Ahmedabad-6 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-6 | All Cases | Aaykar Bhavan | G | 22 - 23 |
| | PS TO CIT(A) 6 | | | Aaykar Bhavan | G | 14 |

| | | | | | | |
|----|--|---|--|----------------------|---|---------|
| 7 | Commissioner of Income-tax (Appeals), Ahmedabad-7 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-7 | All Cases | Nature View Building | 4 | 406 |
| | PS TO CIT(A) 7 | | | Nature View Building | 4 | 407 |
| 8 | Commissioner of Income-tax (Appeals), Ahmedabad-8 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-4 | All the case of Range-4(1) | Pratyaksh Kar Bhavan | 2 | B - 207 |
| | | Commissioner of Income Tax-TDS, Ahmedabad | All cases falling within the territorial jurisdiction of Pr CIT/CIT, Ahmedabad - 1to 7 | | | |
| | PS TO CIT(A) 8 | | | Pratyaksh Kar Bhavan | 2 | B - 206 |
| 9 | Commissioner of Income-tax (Appeals), Ahmedabad-9 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-3 | All the case of Range-3(1) | Pratyaksh Kar Bhavan | 4 | B - 407 |
| | | Commissioner of Income Tax(Exemption), Ahmedabad | All cases falling within the territorial jurisdiction of Pr CIT/CIT, Ahmedabad - 1to 7 | | | |
| | PS TO CIT(A) 9 | | | Pratyaksh Kar Bhavan | 4 | B - 406 |
| 10 | Commissioner of Income-tax (Appeals), Ahmedabad-10 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-1 | All cases of Range-1(2) and Range-1(3), Ahmedabad | Pratyaksh Kar Bhavan | 1 | A - 107 |
| | | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-2 | All Cases of range-2(2), Ahmedabad | | | |
| | PS TO CIT(A) 10 | | | Pratyaksh Kar Bhavan | 1 | A - 106 |

| | | | | | | |
|----|---|---|--|---------------|---|---------|
| 11 | Commissioner of Income-tax (Appeals), Ahmedabad- 11 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad-2 | All Cases of Central Range-1, Ahmedabad and Central Range - Rajkot | Aaykar Bhavan | 3 | 339 |
| | PS TO CIT(A) 11 | | | Aaykar Bhavan | 3 | 332 |
| 12 | Commissioner of Income-tax (Appeals), Ahmedabad-12 | Principal Commissioner/ Commissioner of Income Tax, Ahmedabad | All cases of Central Range-2, Ahmedabad | Aaykar Bhavan | 3 | 333 |
| | | Principal Commissioner/ Commissioner of Income Tax, Surat | All Cases of Central range, Vadodara | | | |
| | PS TO CIT(A) 12 | | | Aaykar Bhavan | 3 | 333 - A |
| 13 | Commissioner of Income-tax (Appeals), Ahmedabad- 13 | Commissioner of Income Tax (International Taxation and Transfer Pricing), Ahmedabad | All Cases | Aaykar Bhavan | 3 | 331 |
| | PS TO CIT(A) 13 | | | Aaykar Bhavan | 3 | 335 |
| 14 | Commissioner of Income-tax (Appeals), Gandhinagar | Principal Commissioner/ Commissioner of Income Tax, Gandhinagar | All Cases | Aaykar Bhavan | 3 | A - 312 |
| | | Commissioner of Income Tax (Exemption), Ahmedabad | All cases falling within the territorial jurisdiction of Pr CIT/CIT, Gandhinagar | | | |
| | PS TO CIT(A) GANDHINAGAR | | | Aaykar Bhavan | 3 | A - 311 |

Ultra Modern Multi Super Speciality Hospital



Nidhi Hospital
Adding Health to Life



HEALTHY LIVING IS HAPPY LIVING

THE GREATEST WEALTH IS HEALTH



Nidhi
+Health
Checks



NIDHI HOSPITAL
Stadium Commerce Road, Navrangpura,
Ahmedabad - 380 009
e-mail : nidhihospital2011@gmail.com
www.nidhihospital.org

Emergency 24x7
+91 9898 74 2121
079 4023 2121, 079 2642 6631

Empaneled Corporates/Institutes



International TPAs/Insurance Companies



National TPA Companies



Insurance Companies



"With Best Complements from
D P Thakkar & Company, Tax Consultants, Patan & Ahmedabad"

Ashok Patel
(M) 98253 15660

Kalpesh Patel
(M) 98250 15660

Milan

ROAD LINES

TRANSPORT CONTRACTOR &
COMMISSION AGENT
FULL LOAD SERVICES



11, Swaminarayan Complex, Nr. A-One Restaurant,
Vatva Turning, Narol, Ahmedabad - 382 405.
Ph. : 079-2571 3600 / 2571 4600