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T.C.(Appeal).Nos.864 of 2008 & 1177 to 1180 of 2008



IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on :08.04.2026

Pronounced on :28.04.2026

CORAM

**THE HONOURABLE DR. JUSTICE G. JAYACHANDRAN
AND
THE HONOURABLE MR.JUSTICE SHAMIM AHMED**

T.C.(Appeal).Nos.864 of 2008 & 1177 to 1180 of 2008

T.C.(A)No.864 of 2008

M/s.Sterling Holiday Resorts (India) Ltd.,
Taurus Towers,
25, 1 Main Road, United India Colony,
Kodambakkam, Chennai 600 024.

..Appellant/Appellant

/versus/

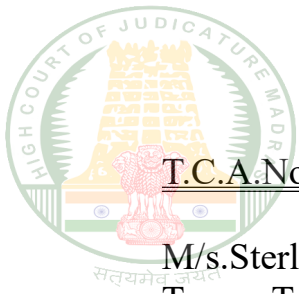
The Assistant Commissioner of Income tax,
Company Circle-VI(4)
Chennai 600 034.

..Respondent/Respondent

Tax Case Appeal has been filed under Section 260A of Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, “C” Bench, Chennai, dated 19th January, 2007 in ITA No.335/2005.

For Appellant :Mr.R.Vijayaraghavan for
M/s Subbaraya Aiyar Padmanabhan and
Ramamani

For Respondent :Dr.S.Sathiyanarayanan
Senior Standing Counsel



T.C.A.No.1177 of 2008

M/s.Sterling Holiday Resorts (India) Ltd.,
Taurus Towers,
25, I Main Road, United India Colony,
Kodambakkam, Chennai 600 024.

..Appellant/Respondent

/versus/

The Assistant Commissioner of Income Tax,
Company Circle VI(4)
Chennai 600 034.

..Respondent/Appellant

Tax Case Appeal has been filed under Section 260A of Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, “C” Bench, Dated 31st October 2007 in ITA No.188/2006.

For Appellant	:Mr.R.Vijayaraghavan for M/s Subbaraya Aiyar Padmanabhan and Ramamani
For Respondent	:Dr.S.Sathiyanarayanan, SSC

T.C.A.No.1178 of 2008

M/s Sterling Holiday Resorts (India) Ltd.,
Taurus Towers,
25, I Main Road, United India Colony,
Kodambakkam, Chennai 600 024.

..Appellant/Respondent

/versus/

The Assistant Commissioner of Income Tax,
Company Circle VI(4)
Chennai 600 034.

..Respondent/Appellant



Tax Case Appeal has been filed under Section 260A of Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, “C” Bench, Dated 31st October 2007 in ITA No.189/2006.

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For Appellant :Mr.R.Vijayaraghavan for
M/s Subbaraya Aiyar Padmanabhan and
Ramamani
For Respondent :Dr.S.Sathiyanarayanan, SSC

T.C.A.No.1179 of 2008

M/s.Sterling Holiday Resorts (India) Ltd.,
Taurus Towers,
25, I Main Road, United India Colony,
Kodambakkam, Chennai 600 024.

..Appellant/Respondent

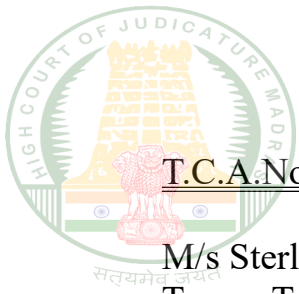
/versus/

The Assistant Commissioner of Income Tax,
Company Circle-VI(4)
Chennai 600 034.

..Respondent/Appellant

Tax Case Appeal has been filed under Section 260A of Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, “C” Bench, Dated 31st October 2007 in ITA No.190/2006.

For Appellant :Mr.R.Vijayaraghavan for
M/s Subbaraya Aiyar Padmanabhan and
Ramamani
For Respondent :Dr.S.Sathiyanarayanan, SSC



T.C.A.No.1180 of 2008

M/s Sterling Holiday Resorts (India) Ltd.,
Taurus Towers,
25, I Main Road, United India Colony,
Kodambakkam, Chennai 600 024.

..Appellant/Respondent

/versus/

The Assistant Commissioner of Income Tax,
Company Circle VI(4)
Chennai 600 034.

..Respondent/Appellant

Tax Case Appeal has been filed under Section 260A of Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, “C” Bench, Dated 31st October 2007 in ITA No.191/2006.

For Appellant :Mr.R.Vijayaraghavan for
M/s Subbaraya Aiyar Padmanabhan and
Ramamani
For Respondent :Dr.S.Sathiyanarayanan, SSC

COMMON JUDGMENT

(Judgment was made by Dr.G.JAYACHANDRAN, J.)

T.C.(Appeal).Nos.1177 to 1180 of 2008 and T.C.(Appeal).No:864 of 2008 are the appeals filed by the Assessee namely, M/s.Sterling Holiday Resorts (India) Ltd. The appeals are in respect of computation of tax on the deferred income claimed by the assessee for the assessment years 1997-98 to 2001-2002. Except the figures, the facts are common in all these appeals. Hence, the case of the assessment year 1997-1998 (T.C.(Appeal).No.864 of 2008) which is first of the such kind of order is discussed for easy reference and appreciation of the law.



2. The assessee company engaged in Time share business. For the assessment year 1997-1998, it filed return of its income declaring loss of Rs.46,73,15,499/- on 01.12.1997. Subsequently, it filed a revised return on 04/01/1999. The return of income taken up for a scrutiny and total income was determined as Rs.8,81,45,376/-. The Assessing Officer, disallowed the claim of the assessee, who declared 45% of the total consideration received for the membership as income of current year and deferred the balance 55% of the advance subscription received from the customer as provision for the future expenditure to provide amenities and facilities promised to the customers for the remaining period of time share agreement (i.e.,) 99 years. The Assessing Officer viewed that the amount shown by the assessee as “advance subscription towards customers facilities” could not be treated as deferred income, but it should be treated as income of the relevant previous year. Accordingly, he brought to tax the 55% of the subscription amount received from the members also as income of the relevant previous year.

3. In the appeals by the assessee, the Commissioner of Income Tax (Appeal) reversed the Assessment Order and deleted the additions. The Revenue, on being aggrieved by the order of Commissioner of Income Tax (Appeal), filed appeal. Meanwhile, for the rest of the assessment years also, the assessee suffered the same fate at the hands of the Assessing Officer and



Commissioner of Income Tax (Appeal). Therefore, the assessee filed four appeals in respect of the Assessment Years 1997-1998 to 2001-2002 before the ITAT and raised the following common grounds:-

“(1) The CIT(A) erred in deleting that the additions made by the Assessing Officer towards the amount of advance subscription received from customers for providing facilities to members.

(2) The CIT(A) ought to have appreciated that the Income tax Act does not recognise the concept of deferred income and any thing which can be properly described as "income" is taxable under the Income-tax Act, unless the same is expressly exempted.

(3) The CIT(A) ought to have appreciated that in respect of interest received on deep discount bonds, where the assessee opted for discounted interest in lump sum and the same was paid to the assessee in the initial year, the same was held to be taxable in the year of receipt and it was held that the same could not spread over to the years to which the interest related [CIT v. A.R.Santhanakrishnan (256 ITR 187) [Mad]]. On the same analogy, since the assessee has received the entire consideration in the initial year, the same is chargeable to tax in the year of receipt, even if it relates to future years.



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(4) The CIT(A) erred in applying the decision of the Supreme Court in the case of Calcutta Company Ltd. v. CIT (37 ITR 1) which is distinguishable on facts of the present case.

(5) The CIT(A) ought to have appreciated that there is no merit in the assessee's contention that it has to set apart sizable portion of the subscription charges received for providing facilities throughout the period of timeshare, because the assessee receives from the customers.

(a) Annual maintenance charges to enable the company to maintain the resort; and

(b) Utility charges for the utilities like electricity, water, central air-conditioning/heating etc. towards the cost of utilities consumed.

(6) The CIT(A) failed to appreciate that the cost of annual maintenance and the incidental expenses are recovered from the members and therefore the entire subscription charges received is taxable in the year of receipt.”

4. Since identical issue in respect of assessee's own case for the Assessment Year 2001-2002 decided first by ITAT in ITA.No:335/Mds/05 in favour of the Revenue, following the said order, the ITAT allowed the rest of the appeals by the Revenue with the following observations:-

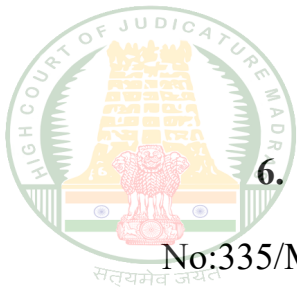


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“An identical issue came for consideration of the Tribunal in the assessee's own case for assessment year 2001-02 in I.T.A. No. 335/Mds/05 and a copy of the order has been filed on the record by the learned D.R. In that case, after detailed discussion, it was held that the concept of deferred income was alien to Income-Tax Act and same was required to be taxed on its coming into existence. It was further observed that obligation to use the income in a particular manner does not remove it from the category of income and this is so even if the obligation is part of the original contract giving rise to the income. This observation was based on the decision of Hon'ble Supreme Court in the case of E.D.Sassoon & Company Ltd vs. CIT (26 ITR 27) (SC). It was also observed that there is absolutely nothing in the Act to permit the assessee to treat part of the income as deferred income and to offer it for taxation as per its owns will. Following this decision, we decide the issue raised by the Revenue in favour of the Revenue.”

5. The assessee on appeal, had challenged the common order of the ITAT passed in batch of four appeals ITA Nos:188 to 191/Mds/2006, dated 31.10.2007 as well as the earlier order passed in ITA No:335/Mds/05, dated 19.01.2007, which was referred and followed by ITAT in the subsequent batch of appeals.



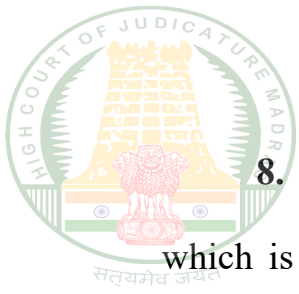
6. The appeal of the assessee against the order passed in ITA No:335/Mds/05, for the Assessment Year 2001-2002, is prior in point of time and same is under consideration before us in Tax Case (Appeal) No.864 of 2008. The substantial question of law framed in this appeal is as below:-

Whether on the facts and in the circumstances of the case, the Tribunal was right in law in holding that the entire receipt of membership fees for 99 years is assessable as income in the first year itself?

7. The batch of appeals against the common order though relates to the earlier Assessment Years, being passed subsequently, those appeals are numbered as T.C.(Appeal) Nos.1177 to 1180 of 2008. The substantial questions of law framed in these batch of appeals are as below:-

1. Whether on the facts and in the circumstances of the case the Tribunal was right in law in holding that the entire receipt of membership fees for 99 years is assessable as income in the first year itself?

2. Whether on the facts and in the circumstances of the case, the Tribunal ought to have directed that if the entire membership fee for 99 years is held as taxable in the first year itself, then estimated expenditure to be incurred by the Appellant for the period of membership should be allowed as a deduction applying the ratio of the decision of the Apex Court in the case of Calcutta Co Ltd (37 ITR 1)?”



8. Since the ITA had relied on its earlier order in ITA No.335/Mds/05, which is also under consideration by us, it is appropriate to first discuss the sustainability of the order passed by the Tribunal in ITA No. 335/Mds/05, dated 19.01.2007, in the assessee's own case for the assessment year 2001–2002 since it contains more detailed discussion of facts and law. The assessee relying on Calcutta Company case justified its treatment of the receipt for the relevant year apportioning 45% as revenue during the current year and the balance 55% as advance subscription towards customers and kept in the liability side. Whereas, the Tribunal distinguished the case of *Calcutta Company Ltd. vs. CIT (37 ITR 1, SC)*, on facts and declined to accept the assessee's submission that the amount received was deferred income, as certain obligations were attached to be discharged over the remaining period of agreement. The claim of the assessee that the Treatment given to such receipt was in accordance with the fundamental accounting concept for matching the revenue of each year with the expenses incurred to earn such revenue, negated by the ITAT. The plea of the assessee that the entire amount received towards advance subscription cannot be debited to the P&L account as it tantamounts to provision of agreed amenities and facilities towards which customer made the payment in the previous year did not find favour with the Tribunal.



9. In the order impugned before us, the ITAT has observed that in the *Calcutta Company Case cited supra*, the undertaking to carry out the developments within six months from the date of deed of sale is unconditional.

Whereas, in the case in hand, the assessee spread over the liability over 99 years, but there is no basis for estimating the future expenditure towards the customer facilities. The ITAT, after listing out the facilities and amenities offered to the customers under Clause 139(c) of the Time-Share Agreement, held that the assessee was not able to demonstrate under what heads the facilities and amenities mentioned in Clause 139(c) of the TSA it expects expenditure to deduct 55% out of the total income. Particularly when the assessee is collecting separate amenity charges.

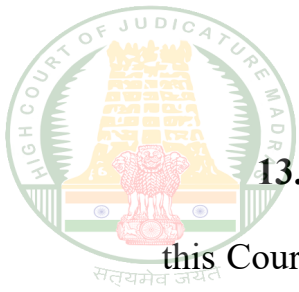
10. Thus, the ITAT held against the assessee by holding that a) the concept of deferred income is alien to Income-Tax, b) The obligation to use the Income in a particular manner does not remove the current receipt from the category of income. c) The assessee, following the Mercantile method of accounting, cannot partly deviate to treat 55% of the accrued income as deferred income to meet a contingent expenditure.

11. The Learned Counsel appearing for the appellant/Assessee contended that, as per Clause (3) of the agreement entered into with respective customers,



it has an obligation to maintain the Time-share properties and fit for their occupation for the days of their choice. For this purpose, the appellant had collected a specific sum as advance subscription. The Profit and Loss account of each year was credited with the amount received towards the cost of timeshare which was sold to the customers. The advance subscription amount collected towards customer facilities was credited to a separate account. As the time share is for 99 years, 1/99th of this amount was credited to the Profit and Loss account and the Profit and Loss account is debited with the actual expenses incurred during each year which is in accordance with the fundamental accounting concept of matching the revenue of each year with the expenses incurred to earn such revenue. If an amount is received for the purpose of providing services over a period of years then the income should also be spread over the period. The Appellant cannot be said to have the right to receive the entire amount as income in the first year itself.

12. To buttress his submission, the Learned Counsel relies on the ratio of the decision of the Hon'ble Supreme Court in the case of ***Madras Industrial Investment Corporation Ltd (225 ITR 802)***, as well as the decisions of the Madras High Court in ***Brilliant Tutorials Pvt Ltd in T.C.(A).No.6 of 2007 and Coral Electronics (P) Ltd (274 ITR 336)***.



13. Further, the Learned Counsel for the appellant draw the attention of this Court that the Commissioner of Income Tax accepted the hybrid method of accounting while considering the case of the assessee for the Assessment Years 1991-1992 and 1992-1993, in exercising his powers of revision under Section 263 of the Act. As per Accounting Standard, the proportionate completion method is well recognised. The Institute of Chartered Accountants of India (ICAI), in its Technical Guide on Income Computation and Disclosure Standard (ICDS), under Chapters 5, 6 and 7 deals with Revenue from service Transactions and recognition of percentage completion method. Thus, when assessee provides services for intermediate number of actions over a specified period of time, the revenue may be recognised on a straight-line basis over the specified period. Finally, it was contended that there can be no doubt about the recognition of deferred income in view of Section 43 CB of the Income Tax Act. Also, it is brought to our attention the judgment of the ITAT, Chennai, Special Bench which is subsequent to the judgment impugned herein, in which the case of assessee the concept of deferred payment upheld.

14. We also find that the judgment of the Hon'ble Andhra Pradesh High Court in *M/s.Treasure Island Resorts (P) Ltd v. Deputy Commissioner of Income-Tax* reported in *[2004] 90 ITD 814 (ITAT [Hyd])* and the judgment of the Gujarat High Court in *Commissioner of Income-Tax vs. Winner Business*



Link (P) Ltd reported in **[2015] 230 Taxman 399 (Gujarat)**, are in favour of the assessee. The order of the Special Bench of the ITAT, Madras in *M/s.Mahindra Holidays and Resorts India Ltd.*, as well as the judgments in *M/s.Treasure Island Resorts (P) Ltd (cited supra)* and *Winner Business Link (P) Ltd (cited supra)*, were subsequent to the impugned order, hence the advantage, we have now, was not available to the ITAT on the date when it passed the impugned order.

15. Interestingly, we also notice that when the issue again cropped up before the ITAT for the Assessment Year 2002-2003 and thereafter, the Tribunal which by that time had the advantage of the ruling by Special Bench reported in 131 TTJ (1) as well the order of the Co-ordinate Bench in *ACIT v. M/s.Mahindra Holidays and Resorts (India) Ltd reported in [2010] 39 SOT 438 (ITAT[Chen])*, allowed the appeals filed by the assessee recognising deferred income principle.

16. The judgments cited above clearly show that, Deferred income, the matching principle and the proportionate completion method are not alien to Income Tax Act. On this score, the view taken by the ITAT is fundamentally erroneous.



17. In a batch of appeals in respect of M/s.Mahindra Holidays and Resorts India Ltd., carrying on similar business, we had the advantage of considering all these aspects and held in favour of assessee. Therefore, the reasoning to arrive at the said conclusion, in our opinion, needs no repetition, except to point out that though there are few differences in the terms of agreements regarding how the facilities and amenities promised to be met, the collection of Annual Maintenance or utility charges collected for actual usage by members while staying at resort not to be matched or equated with the facilities/Amenities assured to the members on payment of the fees. The recurring expenses till the expiry of the agreement period are certain and not contingent. For the sake of completion, we capsule the judgments which have recognised the accounting method of deferring part of the income to meet future expenditure.

(i) *Treasure Island Resorts (P). Ltd v. Deputy Commissioner of Income*

Tax reported in [2004] 90 ITD 814 (ITAT[Hyd]), wherein ITAT held as below:-

“47. The learned Departmental Representative pleaded before us that entrance fee is a revenue receipt in the light of the decision of the Patna High Court in the case of United Club (supra) and so, the entire membership fee which is on par with such entrance fee has to be taxed in one year. This contention has to be rejected for more



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than one reason. Firstly, strictly speaking, there is no entrance fee as such in the present case. Secondly, the jurisdictional High Court has held in the case of Secunderabad Club(150 ITR 49) that the entrance fee is a capital receipt. Even as per accounting standard 9, entrance fee is normally capitalized. More basically, the issue in the present case is not whether the membership fee is capital receipt or revenue receipt. The assessee has not disputed that it is a revenue receipt. The only claim of the assessee is that, even if it is a revenue receipt, it cannot be brought to tax in one year and it should be recognized on a rational basis or time basis in the light of accounting standard 9. We see no reason to reject this claim as there is continuing liability to render services either free or at a reduced rate.

48. If the entire membership fee collected is shown in the present assessment year, there would be substantial deficit in future years, when the assessee has to incur expenditure for the provision of various services to the members without matching receipts. This would give a totally distorted picture of the working results of the assessee. While substantial profits will be taxed in the year under appeal, there will be substantial losses in" subsequent years. The revenue may seek such result, but we see no reason to allow it.

...

50. Before we conclude, we may mention that there appears to be some incongruity in item 6 of the appendix to the accounting standard 9, which we have extracted

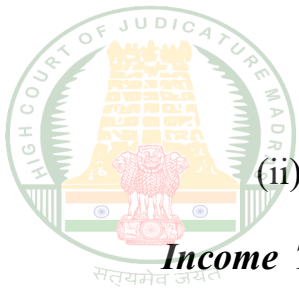


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hereinabove While it states that entrance fee is generally capitalised, it proceeds to state that when membership fee permits only membership and all other services are paid for separately, it should be recognized when received. If the membership fee permits only membership it should be on par with entrance fee and so there seems to be some contradiction between the two statements. But the general import of item 6 of the appendix and more particularly of the accounting standard 9 itself is clear. The import of item 6 has to be seen in the light of other illustrations given under other headings of the appendix like installation fees, advertising and insurance agency commission, financial service commissions, admission fees, tuition fees, etc. Reading them all together, the principle is that when service is provided on a continuing basis and the cost relating to the service falls in a different year, revenue should be recognized on a time basis. Going by this general import of item 6 in the appendix and the wording in the body of the accounting standard 9 itself, it is clear that the assessee conformed to the accounting standard 9 and as such, the book results deserve to be accepted.

51. In the light of the foregoing discussion, we are of the view that the assessing officer is not justified in bringing to tax the entire membership fee collected to tax in the year under appeal. We accordingly set aside the impugned orders of the Revenue authorities on this aspect and direct the assessing officer to modify the assessment accordingly.”



(ii) **Madras Industrial Investment Corporation Ltd vs. Commissioner of**

Income Tax, reported in [1997] 225 ITR 802 (SC), the case referred by the

Learned Counsel for the assessee, the Hon'ble Supreme Court has said:-

“....In the case of Indian Molasses Co. (P) Ltd. v. CIT [(1959) 37 ITR 66 : AIR 1959 SC 1049] this Court considered the meaning of “expenditure” under Section 10(2)(xv) of the Income Tax Act, 1922. The High Court was concerned with sums which were transferred by the Company to trustees to take out an annuity policy on the life of the managing director or the longest life policy in favour of the managing director and his wife. There was a provision in the policy for surrendering the annuity for a capital sum after giving notice. The payment by the Company to the trustees was contingent and the liability itself was contingent. The Court said that expenditure which is deductible for income tax purposes is one which is towards a liability actually existing at the time. Putting aside of money which may become expenditure on the happening of an event is not expenditure. Dealing with what is expenditure, this Court said (p. 78) that “expenditure” is equal to “expense” and “expense” is money laid out by calculation and intention. The idea of spending in the sense of “paying out or away” money is the primary meaning. Expenditure is what is paid out or away, something that is gone irretrievably. In the case of Calcutta Co. Ltd. v. CIT [(1959) 37 ITR 1: AIR 1959 SC 1165] decided in the same month, the assessee bought



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lands and sold them in plots for building purposes. The assessee undertook to develop the plots by laying out roads, providing drainage system, installing lights etc. When the plots were sold the purchasers paid only a portion of the purchase price and undertook to pay the balance in instalments. The assessee undertook to carry out the development of these plots. In the relevant accounting year, the assessee who followed the mercantile system of accounting, actually received in cash only a sum of Rs.29,392 towards the sale price of lands; but it credited in its accounts the sum of Rs.43,692 representing the full sale price of lands and at the same time it also debited an estimated sum of Rs.24,809 as expenditure for the development it had undertaken to carry out even though that amount was not actually spent. The Department disallowed this expenditure. Upholding the claim of the assessee to deduction, this Court said that the undertaking given by the assessee imported a liability on the assessee which accrued on the dates of the deeds of sale though that liability was to be discharged at a future date. It was thus an accrued liability and the estimated expenditure which would be incurred in discharging the same could be deducted from the profits and gains of business. The difficulty in the estimation of liability did not convert the accrued liability into a conditional one. This Court said that the expression “profits or gains” in Section 10(1) of the Income Tax Act, 1922 had to be understood in its commercial sense; and there could be no computation of such profits and gains until the expenditure which is necessary for the purpose of earning the receipts



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is deducted therefrom, whether the expenditure is actually incurred or the liability in respect thereof has accrued even though it may have to be discharged at some future date.

7. Thus “expenditure” is not necessarily confined to the money which has been actually paid out. It covers a liability which has accrued or which has been incurred although it may have to be discharged at a future date. However, a contingent liability which may have to be discharged in future cannot be considered as expenditure.”

(iii). Metal Box Company of India Ltd vs. Their Workmen reported in **1968 SCC OnLine SC 83**, wherein it held as below:

“The appellant Company estimated its liability under two gratuity schemes framed by the Company and the amount of liability was deducted from the gross receipts in the P&L account. The Company had worked out on an actuarial valuation its estimated liability and made provision for such liability not all at once but spread over a number of years. The practice followed by the Company was that every year the Company worked out the additional liability incurred by it on the employees putting in every additional year of service. The gratuity was payable on the termination of an employee's service either due to retirement, death or termination of service — the exact time of occurrence of the latter two events being not



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determinable with exactitude beforehand. A few principles were laid down by this Court, the relevant of which for our purpose are extracted and reproduced as under:

(i) for an assessee maintaining his accounts on mercantile system, a liability already accrued, though to be discharged at a future date, would be a proper deduction while working out the profits and gains of his business, regard being had to the accepted principles of commercial practice and accountancy. It is not as if such deduction is permissible only in case of amounts actually expended or paid;

(ii) just as receipts, though not actual receipts but accrued due are brought in for income tax assessment, so also liabilities accrued due would be taken into account while working out the profits and gains of the business;

(iii) a condition subsequent, the fulfilment of which may result in the reduction or even extinction of the liability, would not have the effect of converting that liability into a contingent liability; and

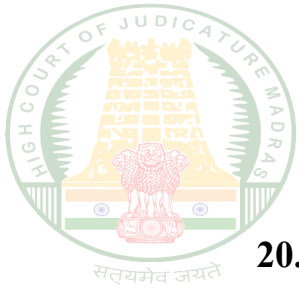
(iv) a trader computing his taxable profits for a particular year may properly deduct not only the payments actually made to his employees but also the present value of any payments in respect of their services in that year to be made in a subsequent year if it can be satisfactorily estimated.”

18. This is in tune with the earlier judgment of the Hon’ble Supreme Court in ***Calcutta Company Ltd vs. Commissioner of Income Tax, West***



Bengal, reported in [1959] 37 ITR 1 (SC), wherein, the Hon'ble Supreme Court has held that the liability on the assessee having been imported, the liability would be an accrued liability and would not convert into a conditional one merely because the liability was to be discharged at a future date. There may be some difficulty in the estimation thereof but that would not convert the accrued liability into a conditional one; it was always open to the tax authorities concerned to arrive at a proper estimate of the liability having regard to all the circumstances of the case.

19. The above proposition been consistently followed by other High Courts, such as the Delhi High Court in **Commissioner of Income Tax-III vs. Shyam Telelink Ltd** reported in [2019] 101 Taxmann.com 218 (Delhi), and in **Commissioner of Income Tax vs. Dinesh Kumar Goel**, reported in [2011] 331 ITR 10 (Delhi) and the Gujarat High Court in **Commissioner of Income Tax vs. Winner Business Link (P) Ltd** reported in [2015]230 Taxman 399 (Gujarat). It is also to be noted that the Hon'ble Supreme Court dismissed the appeal filed by the Revenue in the **Winner Business Link** case which has followed the principles laid down in **Treasure Island Case** and **Dinesh Kumar Goel**. Therefore, the law being settled, the substantial questions of law are in favour of the assessee.



20. In fine, *T.C.(Appeal) Nos.864 of 2008 & 1177 to 1180 of 2008 filed by*

the assessee are allowed. There shall be no order as to costs.

(Dr.G.JAYACHANDRAN, J.) & (SHAMIM AHMED, J.)
28.04.2026

Neutral Citation :Yes
Index :Yes/No.
bsm
To,
The Assistant Commissioner of Income tax,
Company Circle-VI(4),
Chennai - 600 034.



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T.C.(Appeal).Nos.864 of 2008 & 1177 to 1180 of 20



Dr.G.JAYACHANDRAN, J.
and
SHAMIM AHMED, J.
bsm

Pre-delivery Common Judgment made in
T.C.(Appeal)Nos.864 of 2008 and 1177 to 1180 of 2008

28.04.2026