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OCTOBER - 2024, VOLUME: II

## Case Law

Supreme Court's Take on Revised Tax Returns

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## JUDICIAL INSIGHT

### Case Title

M/s. Shriram  
Investments Vs. The  
Commissioner of  
Income Tax III,  
Chennai [Civil Appeal  
No. 6274 of 2013]

# SUPREME COURT'S TAKE ON REVISED TAX RETURNS

### Facts of the Case:

- The appellant, M/s. Shriram Investments, initially filed its return of income for the assessment year 1989-90 on November 19, 1989, under the Income Tax Act, 1961 (IT Act).
- On October 31, 1990, the appellant submitted a revised return. Then revised return was filed on October 29, 1991.
- On August 27, 1991, the assessing officer issued an intimation under Section 143(1)(a) of the IT Act, confirming that the necessary tax amount had been paid.
- However, the assessing officer did not acknowledge the second revised return filed on October 29, 1991.
- Following the rejection of the second revised return, the appellant filed an appeal with the Commissioner of Income Tax (Appeals) (CIT(A)).
- On July 21, 1993, the CIT(A) dismissed the appeal, ruling that the revised return filed on October 29, 1991, was barred by limitation under Section 139(5) of the IT Act.
- The appellant appealed to the Income Tax Appellate Tribunal.
- The Tribunal partially allowed the appeal, directing the assessing officer to consider the claim for deduction of deferred revenue expenditure, despite the limitations.
- The respondent department contested the Tribunal's decision in the High Court of Judicature at Madras.
- The High Court set aside the Tribunal's order, concluding that after the revised return was barred by limitation, there was no legal provision allowing the assessing officer to consider the claim made by the appellant.

### ISSUE:

Whether the assessing officer possessed the authority to entertain a claim for deduction made in a revised return filed after the expiration of the statutory time limit set by Section 139(5) of the Income Tax Act.

### SUPREME COURT'S VERDICT:

- The appellant's counsel argued that the Tribunal was correct in stating that the assessing officer could consider the claim for deduction of deferred revenue expenditure, as it was permissible



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while the assessment proceedings, regardless of the timing of the revised return.

- The counsel referenced the Supreme Court decision in Wipro Finance Ltd. v. Commissioner of Income Tax, emphasizing that the Tribunal did not direct the assessing officer to consider the revised return but rather allowed the claim to be assessed according to the law.
- The learned Additional Solicitor General (ASG) argued that based on the precedents set by the Supreme Court in Goetz (India) Ltd. vs. Commissioner of Income Tax & Principal Commissioner of Income Tax & Anr. vs. Wipro Limited, the assessing officer could not consider claims made in a revised return if that return was barred by limitation.
- The ASG contended that the High Court correctly concluded that the assessing officer had no jurisdiction to entertain claims made in a revised return that was time-barred.
- The Supreme Court observed the provisions of Sec 139(5) of the IT Act, which allowed the submission of a revised return under certain conditions. At the relevant time, the section stipulated that a revised return could be filed within one year from the end of the relevant assessment year or before the assessment was completed.
- The Court emphasized that once the deadline for filing a revised return has passed, any claims made in that return become inadmissible.
- The Supreme Court ultimately dismissed the appeal, affirming the High Court's ruling that the assessing officer lacked the jurisdiction to consider the claim made in the time-barred revised return.
- The Court emphasized the importance of compliance with statutory limitations in tax law, reinforcing that procedural adherence is crucial in the assessment process.



## Head Quarters:

Vasudha, 2nd Floor, No. 2, 38th Main Rd,  
Rose Garden, JP Nagar Phase 6, J. P. Nagar,  
Bengaluru, Karnataka 560078

Ph: 080 41673023

Email: [info@ricago.com](mailto:info@ricago.com)

Website: [www.ricago.com](http://www.ricago.com)

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