



## COURSE MANUAL

**Name of the Elective Course:  
General Principles of Taxation**

**Course Code:  
L-EL-1260**

**Name of the responsible Faculty Instructor:  
Dr. Rohit Roy**

**Fall 2026  
(AY 2026-27)**



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This document is prepared by the course instructor and contains basic information relevant to the execution of the course. It is the official record for all intents and purposes as far the elective course, *General Principles of Taxation*, is concerned.

This course manual can be used as a general guide to the subject. However, the instructor can modify, extend or supplement the course (without tampering its basic framework and objectives) for the effective and efficient delivery of the course. The instructor will provide students with reasons for such changes.

## **Part I**

Course Title: **General Principles of Taxation**

Course Code:

Course Duration: **One Semester (14 Weeks)**

No. of Credit Units: **4 Credits**

Level: **UG and PG**

Medium of Instruction: **English**

Pre-requisites (if applicable): **Principles of Taxation** (under-graduate core course)

Equivalent Courses: **N/A**

## Part II

### 1. Acknowledgement of Course Ideators

The structure of this course reflects insights from academic discussions with colleagues and from student engagement in prior tax law courses.

### 2. Course Description

General Principles of Taxation is designed as an advanced refresher course for students who have already been introduced to the basic structure of Indian taxation, while also remaining accessible to students who wish to understand how taxation operates as a legal and constitutional instrument. The course proceeds from the premise that taxation is not merely a technical or computational subject, but a field that sits at the intersection of law, state power, public finance, economic policy, and distributive justice.

The course will revisit the foundational principles governing taxation in India, including the nature and characteristics of a tax, the constitutional limits on taxing power, the distinction between tax, fee, cess and surcharge, and the role of statutory interpretation in tax law. It will then move into the basic architecture of income tax law in India, with primary reference to the Income-tax Act, 1961 and, where relevant, the corresponding structure and provisions of the Income-tax Act, 2025. This will include chargeability, residential status, scope of total income, and the heads of income. The objective is not to train students merely in mechanical computation, but to enable them to understand how tax statutes are structured, how tax liability is created, and how courts interpret taxing provisions.

A central focus of the course will be on developing the ability to read tax law doctrinally. Students will engage with statutory provisions, leading judicial decisions, and selected policy questions to understand the legal design of taxation. The course will also introduce students to key themes such as exemptions, deductions, anti-avoidance, classification of income, and the relationship between legal form and economic substance. Where appropriate, students will also be encouraged to notice how these concepts are carried forward, reorganised, or reframed in the Income-tax Act, 2025.

For LL.M. students, the course is intended to consolidate and deepen foundational knowledge that is essential for more specialised work in domestic and international taxation. For undergraduate students who have previously studied Principles of Taxation or Taxation-I, it offers an opportunity to revisit core concepts with greater analytical depth, while also becoming familiar with the legislative transition in Indian income tax law.

By the end of the course, students should be able to identify the legal basis of a tax, interpret taxing provisions with greater precision, distinguish between different forms of fiscal imposition, analyse the structure of income taxation, and critically engage with judicial reasoning in tax cases. The course is therefore intended to build both technical familiarity and conceptual clarity, while encouraging students to think of taxation as a central part of public law and economic governance.

### 3. Course Aims

1. To introduce students to the constitutional, statutory, and conceptual foundations of taxation in India.
2. To develop students' ability to read and interpret taxing statutes.
3. To explain the basic architecture of Indian income tax law including chargeability, residential status, scope of total income, and heads of income.
4. To examine the legal distinction between different fiscal impositions, including taxes, fees, cesses, and surcharges.
5. To enable students to critically analyse judicial reasoning and policy questions in taxation law.

#### 4. Teaching Methodology

The course will be taught through a combination of lectures, guided statutory reading, case-law analysis, and problem-based discussions. Students will engage closely with constitutional provisions, selected provisions of the Income-tax Act, 1961, the corresponding provisions of the Income-tax Act, 2025 where relevant, and leading judicial decisions to understand how tax liability is created, classified, interpreted, and contested.

Hypothetical problems and limited computational exercises will be used where necessary to clarify the operation of statutory provisions, particularly in relation to residential status, scope of total income, and heads of income. Where appropriate, these exercises may also be used to familiarise students with continuities and changes in the statutory framework under the Income-tax Act, 2025.

Class discussions will connect doctrinal rules with broader questions of fiscal policy, legal interpretation, anti-avoidance, and the relationship between taxation and state power. Overall, the methodology is designed to build doctrinal clarity, statutory familiarity, and analytical confidence rather than purely mechanical computational ability, while allowing students to read Indian income tax law in a period of legislative transition.

#### 5. Intended Learning Outcomes

Course Intended Learning Outcomes	Weightage in %	Teaching and Learning Activities	Assessment Tasks/Activities
<b>1. Core Understanding of Constitutional and Statutory Foundations of Taxation</b>  Students will develop a foundational understanding of the nature and characteristics of taxation, the constitutional basis of taxing power, and the legal distinction between taxes, fees, cesses, and surcharges. They will be able to explain the role of Articles 246 and 265, the Seventh Schedule, and relevant judicial decisions in structuring and limiting fiscal power in India.	30%	Lectures, guided discussions, statutory reading, caselaw analysis	Mid-term examination; end-semester examination; in-class discussions
<b>2. Doctrinal Understanding of Indian Income-tax law</b>  Students will understand the basic architecture of Indian income tax law, with primary reference to the Income-tax Act, 1961 and, where relevant, the corresponding provisions of the Income-tax Act, 2025. This will include chargeability, residential status, scope of total income, and the heads of income. They will be able to identify how income is classified, how tax liability is created, and how statutory provisions operate within the larger	40%	Lectures, statutory interpretation exercises, limited computational exercises, problem-based discussions	Mid-term examination; problem-based exercises; end-semester examination

Course Intended Learning Outcomes	Weightage in %	Teaching and Learning Activities	Assessment Tasks/Activities
scheme of income taxation during a period of legislative transition.			
<p><b>3. Analytical Ability in Interpretation, Exemptions, and Anti-Avoidance</b></p> <p>Students will develop the ability to interpret taxing provisions, exemption provisions, and anti-avoidance rules with doctrinal precision. They will critically analyse judicial reasoning on tax interpretation, legal form and substance, tax avoidance, and the limits of taxpayer planning.</p>	30%	Case analyses, classroom debates, hypothetical problems, applied statutory exercises	End-semester examination; viva/analytical assessment; class participation

## 6. Grading of Student Achievement

To pass this course, students shall obtain a minimum of 40% in the cumulative aspects of coursework, i.e., internal assessments (including moot court, mid-term exam, presentations, research paper) and the end term examination. Internal assessments shall carry a total of 70 marks. **End of semester exam shall carry 30 marks out of which students have to obtain a minimum of 30% marks to fulfil the requirement of passing the course.**

The details of the grades as well as the criteria for awarding such grades are provided below:

PERCENTAGE OF MARKS	GRADE	GRADE VALUE	GRADE DESCRIPTION
80 and above	O	8	<b>Outstanding</b> – Exceptional knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules and principles and extraordinary critical and analytical ability
75 – 79	A+	7.5	<b>Excellent</b> - Sound knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules and principles and critical and analytical ability
70 – 74	A	7	<b>Very Good</b> - Sound knowledge of the subject matter, excellent organizational capacity, ability to synthesize ideas, rules and principles, critically analyse existing materials and originality in thinking and presentation
65 – 69	A-	6	<b>Good</b> - Good understanding of the subject matter, ability to identify issues and provide balanced solutions to problems and good critical and analytical skills
60 – 64	B+	5	<b>Fair</b> – Average understanding of the subject matter, limited ability to identify issues and provide solutions to problems and reasonable critical and analytical skills

PERCENTAGE OF MARKS	GRADE	GRADE VALUE	GRADE DESCRIPTION
55 – 59	B	4	<b>Acceptable</b> - Adequate knowledge of the subject matter to go to the next level of study and reasonable critical and analytical skills.
50 – 54	B-	3	<b>Marginal</b> - Limited knowledge of the subject matter and irrelevant use of materials and, poor critical and analytical skills
45 – 49	P1	2	<b>Pass 1</b> – Pass with basic understanding of the subject matter
40 – 44	P2	1	<b>Pass 2</b> – Pass with rudimentary understanding of the subject matter
Below 40	F	0	<b>Fail</b> - Poor comprehension of the subject matter; poor critical and analytical skills and marginal use of the relevant materials. Will require repeating the course
Incomplete	I	0	<b>Incomplete</b> - “Extenuating circumstances” preventing the student from taking the end-semester, or re-sit, examination as the case may be; the Vice Dean (Examinations) at their discretion assign the “I” grade. If an "I" grade is assigned, the student would appear for the end-semester, or re-sit examination, as the case may be, as and when the subsequent opportunity is provided by the University.

## 7. Criteria for Student Assessments

Assessment of the participants will be based on the following criteria.

Assessment	Weightage	Remarks
Mid-term written assessment	40 Marks	Rubrics and details will be provided in class.
Oral assessment	30 Marks	Rubrics and details will be provided in class.
End Semester Examination (Compulsory)	30 Marks	There will be a compulsory end-semester examination/component for all participants of the course who have successfully met the requisite attendance as per the governing JGU policies.

## Part III

### Course/Class Policies

#### Cell Phones, Laptops and Similar Gadgets

To maintain focus and ensure effective engagement with the material, all electronic devices—including cell phones, laptops, tablets, and similar gadgets—**are not permitted during class**. Students are required to take notes using pen and paper.

Devices may only be used when the instructor explicitly permits their use for the purpose of checking information, data, or specific class-related material. **Any unauthorised use of electronic devices during class is strictly prohibited.**

#### Academic Integrity and Plagiarism

Learning and knowledge production of any kind is a collaborative process. Collaboration demands an ethical responsibility to acknowledge who we have learnt from, what we have learned, and how reading and learning from others have helped us shape our own ideas. Even our own ideas demand an acknowledgement of the sources and processes through which those ideas have emerged. Thus, **all ideas must be supported by citations**. All ideas borrowed from articles, books, journals, magazines, case laws, statutes, photographs, films, paintings, etc., in print or online, must be **credited with the original source**. If the source or inspiration of your idea is a friend, a casual chat, something that you overheard, or heard being discussed at a conference or in class, even they must be duly credited. If you paraphrase or directly quote from a web source in the examination, presentation or essays, the source must be acknowledged. The university has a framework to deal with cases of plagiarism. All form of plagiarism will be taken seriously by the University, and prescribed sanctions will be imposed on those who commit plagiarism.

#### Disability Support and Accommodation Requirements

JGU endeavours to make all its courses inclusive and accessible to students with different abilities. In accordance with the Rights of Persons with Disabilities Act (2016), the JGU Disability Support Committee (DSC) has identified conditions that could hinder a student's overall well-being. These include physical and mobility related difficulties, visual and hearing impairment, mental health conditions and intellectual/learning difficulties e.g., dyslexia, dyscalculia. Students with any known disability needing academic and other support are required to register with the Disability Support Committee (DSC) by following the procedure specified at <https://jgu.edu.in/disability-support-committee/>

Students who need support may register before the deadline for registration ends, as communicated by the DSC via email each semester. Those students who wish to continue receiving support from the previous semester, must re-register every semester prior to the deadline for re-registration as communicated by the DSC via email. Last minute registrations and support are discouraged and might not be possible as sufficient time is required to make the arrangements for support.

The DSC maintains strict confidentiality about the identity of the student and the nature of their disability and the same is requested from faculty members and staff as well. The DSC takes a strong stance against in-class and out-of-class references made about a student's disability without their consent and disrespectful comments referring to a student's disability. With due respect for confidentiality, faculty and students are encouraged to have honest conversations about the needs of students with disabilities and to discuss how a course may be better tailored to cater to a student with disability.

All general queries are to be addressed to **disabilitysupportcommittee@jgu.edu.in**

## **Safe Space Pledge**

This course may discuss a range of issues and events that might result in distress for some students. Discussions in the course might also provoke strong emotional responses. To make sure that all students collectively benefit from the course, and do not feel disturbed due to either the content of the course or the conduct of the discussions. Therefore, it is incumbent upon all within the classroom to pledge to maintain respect towards our peers. This does not mean that you need to feel restrained about what you feel and what you want to say. Conversely, this is about creating a safe space where everyone can speak and learn without inhibitions and fear. This responsibility lies not only with students, but also with the instructor.

P.S. The course instructor, as part of introducing the course manual, will discuss the scope of the Safe Space Pledge with the class.

## Part IV

### Keywords Syllabus

Taxation; Article 265; Article 246; Seventh Schedule; Fee; Cess; Surcharge; Direct Taxation; Income-tax Act, 1961; Income-tax Act, 2025; Charge of Income Tax; Total Income; Residential Status; Source-based Taxation; Heads of Income; Exemptions; Deductions; Interpretation of Taxing Statutes; Tax Avoidance; GAAR; SAAR; Legal Form and Substance.

### Course Design and Overview (Weekly Plan)

Week	Topics
1.	<b>Introduction to Taxation, Constitutional Framework and Interpretation of Tax Statutes (Module 1)</b> <ul style="list-style-type: none"><li>• Nature and characteristics of Tax; Direct vs Indirect taxation</li><li>• Tax, Fee, Cess &amp; Surcharge</li><li>• Tax planning, avoidance and evasion (conceptual overview)</li><li>• Constitutional foundations of taxation; Distribution of legislative powers</li><li>• Article 265, Article 246, and the Seventh Schedule</li><li>• Strict interpretation of charging provisions</li><li>• Interpretation of exemption provisions</li><li>• Role of ambiguity in taxing statutes</li><li>• Reading tax statutes during legislative transition: continuity, reorganisation, and interpretive caution</li></ul>
2.	<b>Basic Concepts of Income (Modules 2)</b> <ul style="list-style-type: none"><li>• Income under the Income Tax Act; Principle of mutuality</li><li>• Capital vs revenue receipts</li><li>• Assessee and the definition of “Person” (Includes Trusts, Partnership firms, LLPs etc.)</li><li>• Total Income (ss.4–5) and basis of charge</li><li>• Real &amp; Hypothetical Income</li><li>• Conceptual introduction to income tax rates</li></ul>
3.	<b>Exemptions, Deductions and Agricultural Income (Module 2)</b> <ul style="list-style-type: none"><li>• Exemptions and deductions: distinction and legal function</li><li>• Agricultural income</li><li>• Limited exemptions discussion under section 10 of the Income-tax Act, 1961, alongside section 11 of the Income-tax Act, 2025 and the relevant schedules</li></ul>
4.	<b>Heads of Income I: Salary (Module 3)</b> <ul style="list-style-type: none"><li>• Employer–employee relationship</li><li>• Salary, allowances, perquisites, and profits in lieu of salary</li><li>• HRA, pension, gratuity, leave encashment, and standard deduction</li><li>• Doctrinal issues in classification of receipts as salary income</li><li>• Limited computation exercises on salary income</li></ul>
5.	<b>Heads of Income II: Income from House Property (Module 3)</b> <ul style="list-style-type: none"><li>• Basis of taxation under the head “Income from House Property”</li><li>• Ownership and deemed ownership</li><li>• Annual value</li><li>• Self-occupied property and let-out property</li><li>• Municipal taxes, standard deduction, and interest on borrowed capital</li><li>• Classification problems involving property income</li></ul>

	<ul style="list-style-type: none"> <li>Limited computation exercises on house property income</li> </ul>
6.	<p><b>Heads of Income III: Profits and Gains of Business or Profession (Module 3)</b></p> <ul style="list-style-type: none"> <li>Meaning of “business” and “profession”</li> <li>Business income and professional income</li> <li>General deduction principles</li> <li>Allowability and disallowability of expenses</li> <li>Revenue expenditure and capital expenditure</li> <li>Selected deductions and disallowances</li> <li>Corporate taxation as an introductory concept</li> <li>Problem-based discussion on classification and deductibility</li> </ul>
7.	<p><b>Heads of Income IV: Capital Gains (Module 3)</b></p> <ul style="list-style-type: none"> <li>Capital asset</li> <li>Short-term and long-term capital assets</li> <li>Nature of “transfer”</li> <li>Full value of consideration</li> <li>Cost of acquisition and cost of improvement</li> <li>Indexation: conceptual and limited computational treatment</li> <li>Computation machinery and its limits</li> <li>Rationale behind sections 54 and 54F of the 1961 Act and corresponding treatment under the 2025 Act, where relevant</li> <li>Limited computation exercises on capital gains</li> </ul>
8.	<p><b>Heads of Income V: Income from Other Sources and Consolidation of Heads (Module 3)</b></p> <ul style="list-style-type: none"> <li>Residual nature of Income from Other Sources</li> <li>Dividend, interest, winnings, gifts, and other residuary income</li> <li>Relationship between specific heads and the residuary head</li> <li>Consolidation of all five heads of income</li> <li>Legal structure, classification, interpretation, and purpose of the heads</li> <li>Integrated problem-based discussion across the five heads</li> </ul>
9.	<p><b>Residential Status: Individuals, HUFs, Firms and Companies (Module 4)</b></p> <ul style="list-style-type: none"> <li>Residential status tests; Resident/RNOR/Non-resident</li> <li>Residential status of HUFs, firms, LLPs, and companies</li> <li>Place of Effective Management: conceptual introduction</li> <li>Interaction between Residential Status and Total Income under sections 4 and 5</li> <li>Illustrative examples and limited computation</li> </ul>
10.	<p><b>Source-Based Taxation and Deemed Accrual under Section 9 (Module 4)</b></p> <ul style="list-style-type: none"> <li>Residence and source as jurisdictional principles</li> <li>Income accruing or arising in India</li> <li>Income deemed to accrue or arise in India</li> <li>Business connection</li> <li>Royalty and FTS</li> <li>Foreign income and extraterritorial elements</li> </ul>
11.	<p><b>Anti-Avoidance I: Tax Planning, Tax Avoidance, Tax Evasion and JAAR (Module 5)</b></p> <ul style="list-style-type: none"> <li>Tax planning, tax avoidance, and tax evasion</li> <li>Legal form and economic substance</li> <li>Judicial Anti-Avoidance Rules</li> <li><i>Westminster, Ramsay, McDowell, Azadi</i>, and <i>Vodafone</i> lines of reasoning</li> <li>Limits of judicial recharacterization</li> </ul>

	<ul style="list-style-type: none"> <li>• Role of courts in distinguishing legitimate tax planning from impermissible avoidance</li> </ul>
12.	<p><b>Anti-Avoidance II: GAAR (Module 5)</b></p> <ul style="list-style-type: none"> <li>• Purpose and structure of GAAR</li> <li>• Impermissible Avoidance Arrangement</li> <li>• Principle purpose test</li> <li>• Tainted elements</li> <li>• Statutory thresholds and procedural safeguards</li> <li>• Approving Panel: conceptual treatment</li> <li>• GAAR override, including its relationship with treaty entitlement provisions</li> <li>• Interaction between GAAR and judicial anti-avoidance principles</li> </ul>
13.	<p><b>Anti-Avoidance III: SAAR and Transfer Pricing (Module 5)</b></p> <ul style="list-style-type: none"> <li>• Specific Anti-Avoidance Rules</li> <li>• Transfer Pricing as the classic SAAR mechanism</li> <li>• Associated Enterprises</li> <li>• Arm's Length Principle</li> <li>• Comparability analysis: conceptual treatment</li> <li>• Adjustments [no detailed calculations]</li> <li>• Advance Pricing Agreements</li> <li>• GAAR and SAAR interaction</li> <li>• Situating Indian anti-avoidance rules within the direct tax architecture</li> </ul>
14.	<p style="text-align: center;"><b>REVISION WEEK</b></p> <p style="text-align: center;">[NOTE: There shall be teaching classes scheduled during the fourteenth week subject to the JGU Academic Calendar circulated by the Office of the Registrar, JGU and any official declaration of non-working days by the JGU Registrar.]</p>

### **Module Descriptions:**

This course is being taught during a transitional period in Indian direct tax law. While the Income-tax Act, 1961 remains central to the development of Indian income-tax jurisprudence and case law, the Income-tax Act, 2025 will also be referred to wherever relevant. Students will therefore be encouraged to understand both doctrinal continuity and structural change in Indian income-tax law.

#### **Module 1: Introduction to Taxation, Constitutional Framework and Interpretation of Tax Statutes (Week 1)**

This module introduces students to taxation as a legal, constitutional, and fiscal instrument. It begins with the nature and characteristics of a tax, the distinction between direct and indirect taxation, and the legal differences between taxes, fees, cesses, and surcharges. The module then situates taxation within the constitutional framework, with particular attention to Article 265, Article 246, the Seventh Schedule, and the distribution of legislative taxing powers between the Union and the States. A central part of this module is the interpretation of taxing statutes. Students will examine the principles governing the strict interpretation of charging provisions, the interpretation of exemption provisions, and the role of ambiguity in tax law.

#### **Module 2: Basic Concepts of Income, Exemptions, Deductions and Agricultural Income (Weeks 2–3)**

This module introduces students to the basic conceptual architecture of income taxation. It covers the statutory meaning of income under the Income-tax Act, the principle of mutuality, the distinction between

capital and revenue receipts, and the legal significance of real and hypothetical income. Students will also study the concepts of assessee and person, including individuals, HUFs, partnership firms, LLPs, companies, trusts, and other taxable entities.

The module further introduces the concepts of total income, the basis of charge under sections 4 and 5, and the broad structure of income-tax rates. Although the Income-tax Act, 1961 remains the principal statutory reference for the case law and doctrinal development studied in this course, students will also be introduced to corresponding provisions and structural changes under the Income-tax Act, 2025 wherever relevant.

The second part of the module focuses on exemptions, deductions, and agricultural income. Students will examine the legal distinction between exemptions and deductions, their different statutory functions, and the way in which they operate within the scheme of income taxation. Agricultural income will be discussed conceptually, including its statutory treatment and its relationship with the broader income-tax framework. Limited exemptions will be used illustratively, without turning the module into a provision-by-provision survey.

### **Module 3: Heads of Income (Weeks 4–8)**

This module provides a structured study of the five heads of income. The emphasis is on understanding the legal design, classification logic, and statutory operation of each head of income. The heads of income will be studied primarily through the doctrinal structure developed under the Income-tax Act, 1961, while also noting how corresponding charging, classification, and computational provisions are carried forward, reorganised, or modified under the Income-tax Act, 2025.

Computation will be used in a limited and distributed manner across the module. It will not be treated as an independent end in itself, but as a method for clarifying how statutory provisions operate in concrete factual situations.

The module begins with salary income, including the employer–employee relationship, allowances, perquisites, profits in lieu of salary, HRA, pension, gratuity, leave encashment, and standard deduction. It then turns to income from house property, covering ownership, deemed ownership, annual value, self-occupied and let-out property, municipal taxes, standard deduction, and interest on borrowed capital.

The study of profits and gains of business or profession introduces the meaning of business and profession, business and professional income, deduction principles, allowability and disallowability of expenses, and the distinction between revenue and capital expenditure. Corporate taxation will be introduced only at a basic conceptual level.

Capital gains will be studied through the concepts of capital asset, short-term and long-term capital assets, transfer, full value of consideration, cost of acquisition, cost of improvement, indexation, and the limits of the computation machinery. Sections 54 and 54F of the 1961 Act, and corresponding treatment under the 2025 Act will be discussed to explain the rationale and structure of capital gains exemptions.

The module concludes with income from other sources, including dividend, interest, winnings, gifts, and other residuary income. The final part consolidates all five heads of income through classification problems and integrated fact patterns.

### **Module 4: Residential Status and Source-Based Taxation (Weeks 9–10)**

This module examines the jurisdictional rules that determine the scope of India's taxing power. Students will study the residential status tests applicable to individuals, including resident, resident but not ordinarily resident, and non-resident categories. The module will also cover the residential status of HUFs, firms, LLPs, and companies, with a conceptual introduction to Place of Effective Management.

The second part of the module turns to source-based taxation and deemed accrual under section 9 of the Income-tax Act, 1961. Students will examine residence and source as jurisdictional principles, income accruing or arising in India, income deemed to accrue or arise in India, business connection, royalty, fees for technical services, foreign income, and extraterritorial elements.

The module links the earlier discussion on total income and heads of income with the jurisdictional rules that determine whether and when India may tax a particular item of income. Students will also be alerted to the continuity and reformulation of residence and source rules under the Income-tax Act, 2025 wherever relevant.

### **Module 5: Anti-Avoidance: JAAR, GAAR and SAAR (Weeks 11–13)**

This module introduces students to the anti-avoidance architecture of Indian direct tax law. It begins by revisiting the distinction between tax planning, tax avoidance, and tax evasion, and then moves to the relationship between legal form and economic substance. Judicial Anti-Avoidance Rules will be studied through leading lines of reasoning, including *Westminster*, *Ramsay*, *McDowell*, *Azadi*, and *Vodafone*. Students will examine the limits of judicial recharacterisation and the role of courts in distinguishing legitimate tax planning from impermissible tax avoidance.

The module then turns to General Anti-Avoidance Rules. Students will study the purpose and structure of GAAR, impermissible avoidance arrangements, the principal purpose test, tainted elements, statutory thresholds, procedural safeguards, the Approving Panel, GAAR override, and section 90(2A). The focus will be on understanding GAAR as a statutory anti-avoidance mechanism and its relationship with judicial anti-avoidance principles.

The final part of the module covers Specific Anti-Avoidance Rules, with Transfer Pricing as the principal example. Students will be introduced to associated enterprises, the arm's length principle, comparability analysis, adjustments, Advance Pricing Agreements, and the interaction between GAAR and SAAR.

Given the transitional nature of the law, students will also consider how anti-avoidance concepts under the Income-tax Act, 1961 are preserved, reorganised, or reframed under the Income-tax Act, 2025. The module will also introduce students to the post-GAAR world through cases such as *Blackstone* and *Tiger Global*, where courts and tax authorities have had to consider the interaction between statutory GAAR, treaty-based claims, corporate structuring, and judicial anti-avoidance reasoning. The module concludes by situating JAAR, GAAR, and SAAR within the broader direct tax architecture, showing how anti-avoidance rules connect with substantive charging provisions, residence-source rules, and the classification of income.

## Part V Relevant Readings / Essential Readings

### Note on statutory materials:

Students will be expected to refer to the relevant provisions of the Income-tax Act, 1961. Since the course is being taught during a transitional period in Indian direct tax law, corresponding provisions and structural changes under the Income-tax Act, 2025 will also be referred to wherever relevant.

Cases and readings listed under one subtitle may also be used for related topics elsewhere in the course.

**This list is indicative, not exhaustive;** additional cases, statutory materials, circulars, or policy documents may be introduced in light of developments under the Income-tax Act, 1961 and the Income-tax Act, 2025.

### Week 1 – Introduction to Taxation, Constitutional Framework and Interpretation of Tax Statutes

#### Caselaw

#### Tax and Fees

1. *Commissioner, Hindu Religious Endowments, Madras v. Sri Lakshmindra Thirtha Swamiar of Sri Shirur Mutt* (1954)
2. *Ratilal Panachand Gandhi v. State of Bombay* (1954)
3. *Jindal Stainless Steel and Anr. v. State of Haryana & Ors.* (2017)
4. *Elel Hotels & Investments Ltd. & Ors v. Union of India* (1989)
5. *Corporation of Calcutta v. Liberty Cinema* (1965)
6. *Kewal Krishnan Puri v. State of Punjab* (1980)
7. *Srinivasa General Traders v. State of A.P.* (1983)
8. *Secunderabad Hyderabad Hotel Owners Association v. Hyderabad Municipal Corporation* (1999)

#### Constitutional Deliberations

9. *Kunnathat Thatehunni Moopil Nair v. State of Kerala* (1961)
10. *Jagannath Baksh Singh v. State of U.P.* (1962)
11. *Synthetics and Chemicals Ltd. & Ors. v. State of U.P. & Ors.* (1990)
12. *Hari Krishna Bhargav v. Union of India & Anr.* (1966)

#### Interpretation of Tax Statutes

13. *Commissioner of Customs (Import), Mumbai v. M/s Dilip Kumar & Co.* (2018)
14. *Government of Kerala v. Mother Superior Adoration Convent* (2021)
15. *Mathuram Agrawal v. State of Madhya Pradesh* (2000)

#### Cess

16. *State of West Bengal v. Kesoram Industries Ltd.* (2004)
17. *Dewan Chand Builders and Contractors v. Union of India* (2012)

#### Surcharge

18. *H.H. Shri Vishwesa Thirtha Swamiar v. State of Mysore*

19. *CIT v. K. Srinivasan* (1972)
20. *SRD Nutrients Pvt. Ltd. v. CCE* (2018)

## **GST**

21. *Union of India & Anr. v. M/s Mohit Minerals Pvt. Ltd.* (2022)

## **Books and Articles**

1. Karthik Sundaram, *Tax, Constitution and the Supreme Court* (Oakbridge, 2022)
2. Parthasarathi Shome, *Taxation: History, Theory, Law and Administration* (Springer, 2021)
3. D.D. Basu, *Shorter Constitution of India*, commentary on selected constitutional articles
4. Pistone et al., *Fundamentals of Taxation*, Chapters 1 and 2
5. Adam Smith, *The Wealth of Nations*, Book V, Chapter II, pp. 639–641
6. Allison Christians, *Introduction to Tax Policy Theory* (2018)
7. Kotha & Talekar, “Earmarked Taxes: An Indian Case Study” (2021)

## **Week 2 – Basic Concepts of Income**

### **Caselaw**

### **Basic Concepts**

1. *CIT v. Indira Balkrishna* (1960)

### **Principles of Defining Income**

2. *Minister of Finance (Canada) v. Smith* (1927)
3. *M/s Bangalore Club v. Commissioner of Income Tax & Anr.* (2013)
4. *Commissioner of Income Tax, Bihar v. M/s Bankipur Club Ltd.* (1997)
5. *M/s Chelmsford Club v. Commissioner of Income Tax* (2000)
6. *Secunderabad Club Etc. v. C.I.T.-V Etc.* (2023)
7. *Indo-Gulf Fertilizers & Chemicals Corp. Ltd. v. Union of India* (1992)

### **Concept of Total Income**

8. *Tuticorin Alkali Chemicals & Fertilizers Ltd. v. CIT* (1997)
9. *United Commercial Bank Ltd., Calcutta v. Commissioner of Income Tax, West Bengal* (1957)
10. *Commissioner of Income Tax, Bombay v. Chugandas and Co., Bombay* (1964)
11. *Re: B.M. Kamdar v. Unknown* (1945)
12. *Commissioner of Income Tax, Madras v. T. Namberumal Chetty* (1962)
13. *Attorney-General v. London County Council* (1907)
14. *Salisbury House Estate Ltd. v. Fry* (1930)
15. *In Re: Assessment of Behari Lal Mullick v. Unknown* (1927)

### **Capital Receipt v. Revenue Receipt**

16. *Oberoi Hotel (P) Ltd. v. Commissioner of Income Tax* (1999)
17. *Commissioner of Income Tax, Punjab v. Prabhu Dayal* (1971)
18. *Maharaj Kumar Gopal Saran Narain Singh v. Commissioner of Income Tax* (1935)
19. *A.K.T.K.M. Vishnudatta Antharjanam v. Commissioner of Agricultural Income Tax, Trivandrum* (1968)
20. *Commissioner of Income Tax v. Shaw Wallace and Co.* (1932)

21. *Commissioner of Income Tax, Hyderabad-Deccan v. Vazir Sultan & Sons* (1959)
22. *Commissioner of Income Tax, West Bengal v. Kamal Behari Lal Singha Etc.* (1971)
23. *Commissioner of Income Tax v. Presidency Co-operative Housing Society Ltd.* (1993)
24. *Commissioner of Income Tax-I, Kolhapur v. M/s Chaphalkar Brothers Pune* (2017)

### **Real and Hypothetical Income**

25. *Morvi Industries Ltd. v. Commissioner of Income Tax (Central), Calcutta* (1971)
26. *Commissioner of Income Tax, Bombay v. Shoorji Vallabhdas and Co.* (1962)
27. *CIT Central-III v. M/s Excel Industries Ltd.* (2013)
28. *Godhra Electricity Co. Ltd., Ahmedabad v. Commissioner of Income Tax, Gujarat-II, Ahmedabad* (1997)
29. *Poona Electric Supply Co. Ltd. v. Commissioner of Income Tax* (1966)

### **Books and Articles**

1. Vinod K. Singhania & Monica Singhania, *Taxmann's Students' Guide to Income Tax*, selected chapters
2. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters
3. CBDT Circular No. 5 of 2010, Explanatory Notes to the Provisions of Finance (No. 2) Act, 2009

## **Week 3 – Exemptions, Deductions and Agricultural Income**

### **Caselaw**

#### **Exemptions and Deductions**

1. *ITO v. Stumpp Schuele and Somappa (P) Ltd.* (1991)
2. *Emil Webber v. Commissioner of Income Tax, V and M, Nagpur* (1993)
3. *Commissioner of Customs, Mumbai v. M/s M. Ambalal & Co.* (2010)
4. *Union of India and Ors. v. M/s Wood Papers Ltd. and Anr.* (1990)
5. *Commissioner of Customs (Import), Mumbai v. M/s Dilip Kumar & Co.* (2018)
6. *Government of Kerala v. Mother Superior Adoration Convent* (2021)

#### **Agricultural Income**

7. *A.K.T.K.M. Vishnudatta Antharjanam v. Commissioner of Agricultural Income Tax, Trivandrum* (1968)

### **Books and Articles**

1. Vinod K. Singhania & Monica Singhania, *Taxmann's Students' Guide to Income Tax*, selected chapters
2. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters
3. CBDT Circular No. 5 of 2010, Explanatory Notes to the Provisions of Finance (No. 2) Act, 2009

## **Week 4 – Heads of Income I: Salary**

### **Caselaw**

#### **Salary**

1. *CIT v. L.W. Russel* (1964)

2. *Ram Pershad v. CIT* (1972)
3. *Deputy Commissioner of Income Tax v. Yashoda Super Speciality Hospital* (ITAT Hyderabad, 2011)
4. *EIH Ltd. v. Income Tax Officer, TDS Ward* (2017)
5. *Nalinikant Ambalal Mody v. S.A.L. Narayan Row, Commissioner of Income Tax* (1966)

### **Books and Articles**

1. Vinod K. Singhania & Monica Singhania, *Taxmann's Students' Guide to Income Tax*, selected chapters
2. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters

## **Week 5 – Heads of Income II: Income from House Property**

### **Caselaw**

#### **Income from House Property**

1. *East India Housing & Land Development Trust Ltd. v. CIT* (1961)
2. *Karanpura Development Co. Ltd. v. Commissioner of Income Tax* (1962)
3. *Sultan Brothers (P.) Ltd. v. Commissioner of Income Tax* (1964)
4. *R.B. Jodhamal Kuthiala v. CIT* (1972)
5. *CIT, West Bengal v. Biman Behari Shaw, Shebait* (1968)

### **Books and Articles**

1. Vinod K. Singhania & Monica Singhania, *Taxmann's Students' Guide to Income Tax*, selected chapters
2. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters

## **Week 6 – Heads of Income III: Profits and Gains of Business or Profession**

### **Caselaw**

#### **Profits and Gains of Business or Profession (PGBP)**

1. *CIT v. Mysore Sugar Co. Ltd.* (1962)
2. *Empire Jute Co. v. CIT* (1980)
3. *Bikaner Gypsums Ltd. v. CIT* (1990)
4. *B.D. Bharucha v. CIT* (1967)
5. *CIT v. Travancore Sugar & Chemicals Ltd.* (1973)
6. *L.B. Sugar Factory & Oil Mills (P.) Ltd. v. CIT* (1980)
7. *CIT v. Jalan Trading Co. (P.) Ltd.* (1985)
8. *CIT v. General Insurance Corporation* (2007)

### **Books and Articles**

1. Vinod K. Singhania & Monica Singhania, *Taxmann's Students' Guide to Income Tax*, selected chapters
2. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters

## **Week 7 – Heads of Income IV: Capital Gains**

## **Caselaw**

### **Capital Gains**

1. *CIT v. B.C. Srinivasa Setty* (1981)
2. *N. Bagavathy Ammal v. CIT, Madurai* (2003)
3. *CIT v. Grace Collis* (2001)

### **Books and Articles**

1. Vinod K. Singhanian & Monica Singhanian, *Taxmann's Students' Guide to Income Tax*, selected chapters
2. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters

## **Week 8 – Heads of Income V: Income from Other Sources and Consolidation of Heads**

### **Caselaw**

#### **Income from Other Sources**

1. *CIT v. Rajendra Prasad Moody* (1978)

#### **Consolidation of Heads of Income**

Students are expected to revisit the cases studied under Salary, Income from House Property, PGBP, Capital Gains, and Income from Other Sources for integrated classification problems across the five heads of income.

### **Books and Articles**

1. Vinod K. Singhanian & Monica Singhanian, *Taxmann's Students' Guide to Income Tax*, selected chapters
2. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters

## **Week 9 – Residential Status: Individuals, HUFs, Firms and Companies**

### **Caselaw**

#### **Jurisdiction to Tax**

1. *Commissioner of Income Tax v. F.Y. Khambaty* (1985)
2. *Central Board of Direct Taxes and Others v. Chowgule and Co. Ltd. and Others* (1991)
3. *Union of India and Anr. v. Azadi Bachao Andolan and Anr.* (2003)
4. *Commissioner of Income Tax v. Chunilal B. Mehta* (1938)
5. *E.D. Sassoon and Company Ltd. v. Commissioner of Income Tax, Bombay City* (1954)

#### **Residence Jurisdiction**

6. *V.V.R.N.M. Subbayya Chettiar v. Commissioner of Income Tax, Madras* (1950)
7. *Radha Rani Holdings (P) Ltd. v. Additional Director of Income Tax* (2007)

### **Books and Articles**

1. CBDT Circular No. 6 of 2017, Guiding Principles for Determination of Place of Effective Management (POEM) of a Company
2. Ashrita Prasad Kotha, "POEM Test in the Income-tax Act: Is It the Right Way Forward?" (2015)
3. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters
4. Roy Rohatgi, *International Taxation*, Vol. I: Principles, selected chapters
5. Reuven S. Avi-Yonah, *International Tax as International Law*, selected chapters

## **Week 10 — Source-Based Taxation and Deemed Accrual under Section 9**

### **Caselaw**

#### **Source-based Taxation**

1. *GVK Industries Ltd. & Anr. v. Income Tax Officer & Anr.* (2011)
2. *Electronics Corporation of India Ltd. v. Commissioner of Income Tax & Anr.* (1989)
3. *Commissioner of Income Tax, Andhra Pradesh v. Visakhapatnam Port Trust* (1983)
4. *Fahs v. Crawford* (1947)
5. *Formula One World Championship Ltd. v. Commissioner of Income Tax, International Taxation-III, Delhi and Anr.*(2017)
6. *Assistant Director of Income Tax-I, New Delhi v. M/s E-Funds IT Solution Inc.* (2017)
7. *Engineering Analysis Centre of Excellence Pvt. Ltd. v. Commissioner of Income Tax* (2021)
8. *Hyatt International Southwest Asia Ltd. v. Additional Director of Income Tax* (2024)
9. *Vodafone International Holdings B.V. v. Union of India & Anr.* (2012)
10. *Tiger Global International III Holdings v. Authority for Advance Rulings (Income Tax) & Ors.* (2024)
11. *Honda Siel Cars India Ltd. v. Commissioner of Income Tax, Ghaziabad* (2017)
12. *Anglo-French Textile Company Ltd. v. Commissioner of Income Tax, Madras* (1953)
13. *Ebay International AG, Mumbai v. Assessee* (2012)

### **Books and Articles**

1. OECD, Commentaries on the Articles of the Model Tax Convention, selected commentaries
2. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters
3. Roy Rohatgi, *International Taxation*, Vol. I: Principles, selected chapters
4. Reuven S. Avi-Yonah, *International Tax as International Law*, selected chapters

## **Week 11 — Anti-Avoidance I: Tax Planning, Tax Avoidance, Tax Evasion and JAAR**

### **Caselaw**

#### **Tax Planning, Tax Avoidance and Tax Evasion**

1. *Inland Revenue Commissioners v. Duke of Westminster* (1936)
2. *W.T. Ramsay Ltd. v. Inland Revenue Commissioners* (1981)
3. *McDowell & Company Limited v. Commercial Tax Officer* (1985)
4. *Union of India and Anr. v. Azadi Bachao Andolan and Anr.* (2003)
5. *Vodafone International Holdings B.V. v. Union of India & Anr.* (2012)

### **Judicial Anti-Avoidance Rules**

6. *Inland Revenue Commissioners v. Duke of Westminster* (1936)
7. *W.T. Ramsay Ltd. v. Inland Revenue Commissioners* (1981)
8. *McDowell & Company Limited v. Commercial Tax Officer* (1985)
9. *Union of India and Anr. v. Azadi Bachao Andolan and Anr.* (2003)

10. *Vodafone International Holdings B.V. v. Union of India & Anr.* (2012)

## **Books and Articles**

1. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters

## **Week 12 — Anti-Avoidance II: GAAR**

### **Caselaw**

#### **GAAR, Treaty Claims and Post-GAAR Structuring**

1. *GVK Industries Ltd. & Anr. v. Income Tax Officer & Anr.* (2011)
2. *Formula One World Championship Ltd. v. Commissioner of Income Tax, International Taxation-III, Delhi and Anr.*(2017)
3. *Assistant Director of Income Tax-I, New Delhi v. M/s E-Funds IT Solution Inc.* (2017)
4. *Engineering Analysis Centre of Excellence Pvt. Ltd. v. Commissioner of Income Tax* (2021)
5. *Vodafone International Holdings B.V. v. Union of India & Anr.* (2012)
6. *Blackstone Capital Partners (Singapore) VI FDI Three Pte. Ltd. v. Assistant Commissioner of Income Tax (International Taxation)* (2023)
7. *Tiger Global International III Holdings v. Authority for Advance Rulings (Income Tax) & Ors.* (2024)
8. *Authority for Advance Rulings (Income Tax) & Ors. v. Tiger Global International III Holdings and Ors.* (2026)

## **Books and Articles**

1. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters

## **Week 13 — Anti-Avoidance III: SAAR and Transfer Pricing**

### **Module 5**

#### **Caselaw**

#### **SAAR and Transfer Pricing**

The transfer pricing component will be taught primarily through statutory provisions, conceptual materials, and selected extracts from Kanga & Palkhivala. The case law studied in Weeks 11 and 12 may also be revisited to examine the interaction between SAAR, GAAR, JAAR, treaty-based claims, residence-source rules, and corporate structuring.

#### **Relevant cases for revisiting in this context**

1. *Union of India and Anr. v. Azadi Bachao Andolan and Anr.* (2003)
2. *Vodafone International Holdings B.V. v. Union of India & Anr.* (2012)
3. *Formula One World Championship Ltd. v. Commissioner of Income Tax, International Taxation-III, Delhi and Anr.*(2017)
4. *Assistant Director of Income Tax-I, New Delhi v. M/s E-Funds IT Solution Inc.* (2017)
5. *Engineering Analysis Centre of Excellence Pvt. Ltd. v. Commissioner of Income Tax* (2021)
6. *Blackstone Capital Partners (Singapore) VI FDI Three Pte. Ltd. v. Assistant Commissioner of Income Tax (International Taxation)* (2023)

7. *Tiger Global International III Holdings v. Authority for Advance Rulings (Income Tax) & Ors.* (2024)
8. *Authority for Advance Rulings (Income Tax) & Ors. v. Tiger Global International III Holdings and Ors.* (2026)

### **Books and Articles**

1. Kanga & Palkhivala, *The Law and Practice of Income Tax*, selected chapters

### **Week 14 — Revision Week**

No new readings will be assigned for this week. Students will be expected to revise the statutory provisions, cases, and readings covered across Modules 1–5. The week may be used for consolidation, problem-solving, and examination preparation, subject to the JGU Academic Calendar and any official declaration of non-working days by the JGU Registrar.