Nathu Ram and Co. v. Commissioner of Income Tax

ITR 11/1994

ITR 11/1994 | 2007-06-15

Unchallenged section144A directions bound fresh assessment

144A | 256

High Court of Himachal Pradesh | Shimla | Deepak Gupta | Surinder Singh

Assessment years: 1983-84

01 FACTS OF THE CASE

Nathu Ram and Co. claimed a further Rs.63,800 fire loss for AY 1983-84 after an insurance payment. An initial appellate remand required proper loss and stock reconciliation. The assessee then sought section 144 A directions; the Inspecting Assistant Commissioner held that the fire loss was already reflected in excluded closing stock and the insurance receipt required adjustment. Those adverse directions were not challenged.

Source: PDF pp.1–4

02 DISCUSSION BY THE HON'BLE COURT

The Court distinguished the first appellate remand, which left points open, from the later section 144 A directions. It held that the unchallenged directions had attained finality and bound the assessing officer. The Tribunal therefore did not err in sustaining the resulting assessment on that ground.

Source: PDF pp.4–5

03 JUDICIAL DECISION

The reference was answered against the assessee. The Court upheld the binding effect of the unchallenged directions and ordered transmission of its decision to the Tribunal.

Source: PDF p.5

04 OUTCOME / IN WHOSE FAVOUR

Revenue-favourable answer on this procedural history. The source inconsistently prints insurance amounts of Rs.1,87,000 and Rs.1,87,178, and its final phrase says both against the assessee and in favour of the petitioner although the assessee is the captioned petitioner. The consistent reasoning and express adverse answer control this note.

Source: PDF pp.1–5

05 EXPERT COMMENTS

An open remand was not itself the source of finality — The Court expressly read the first appellate order as reserving liberty to raise all points. It located the binding restriction in the later directions sought by the assessee under section 144 A and left unchallenged. Reporting that every remand order bars a subsequent merits challenge would misstate this distinction.

Avoid double-counting a loss already reflected in stock — The quoted directions treated excluded burnt stock and debited expenses as already recognising the fire loss, with insurance proceeds to be adjusted. That explains the factual dispute over a further loss claim. The High Court's immediate holding concerned binding directions; it did not independently announce a universal accrual rule for every disputed insurance claim.

Do not infer a general appeal route from this historical narrative — The judgment states that the adverse directions were not challenged and treats them as final. It does not analyse the statutory forum, limitation or maintainability of a standalone challenge. Those questions need separate legal verification; this note preserves the case's actual procedural conclusion without turning the passing reference to appeal into filing advice.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

Himachal Pradesh High Court judgment; verified source copy

Complete source PDF reviewed: 5 physical pages.

All 5 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Sections and disposition are recorded only to the extent stated in this source order.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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