

M/s. Japan Airlines Co. Ltd. v. Commissioner of Income Tax, New Delhi

Civil Appeal No. 9875 of 2013 and connected proceedings (full list below)

[2015] 8 SCR 838 | 2015-08-04

Whether the identified AAI landing and parking charges are rent for use of land under section 194-I, rather than charges for the airport facilities and services provided.

194-I | 194C | 201(1) | 260A

Two-judge bench | A.K. Sikri, J. | R.F. Nariman, J.

Assessment years: 1998-99

Composite airport services; no universal airport or rate rule

The identified landing and parking charges were held outside section 194-I because of the services and charging structure proved. The Court retained rent's broad definition and expressly declined a separate general section 194C inquiry. The printed appeal-year and payment/TDS arithmetic discrepancies are disclosed; historical rates are not current guidance. Later treatment and current statutory versions remain unverified.

01 FACTS OF THE CASE

Japan Airlines and Singapore Airlines used AAI's facilities at Indira Gandhi International Airport for landing, take-off and aircraft parking. They deducted under section 194C, while Revenue demanded the higher historical rent-withholding treatment under section 194-I. Japan Airlines' narrated case concerned AY 1998-99. Its section 201 order was reversed by the Commissioner (Appeals) and Tribunal, then restored by the Delhi High Court following United Airlines. In the Singapore Airlines matters, the Madras High Court reached the contrary conclusion, prompting six Revenue appeals (paragraphs 1-9).

The Court considered the airport's regulated service framework, technical facilities and international cost-based charging material. The dispute was not a lease of a separately identified parcel in isolation: it concerned the character of the specified landing and parking charges in that service arrangement (paragraphs 4-6 and 15-21).

Source: See the proposition-specific paragraph and PDF-page references below.

02 DISCUSSION BY THE HON'BLE COURT

The Court accepted that section 194-I defines rent more widely than ordinary landlord-and-tenant usage. The words covering any other agreement or arrangement for use of land or a building are an independent extension; a formal lease is not essential. It rejected the Madras High Court's separate ejusdem-generis restriction, even while accepting that court's outcome (paragraphs 13–14 and 23).

Breadth of the definition did not replace the inquiry into what the payments actually bought. The Delhi approach, based on wheels touching or remaining on airport land, overlooked the composite services. AAI provided air-traffic, ground-safety, communication, navigation and meteorological facilities, specially engineered runways and associated safety systems. The applicable protocols and cost-analysis methodology tied charges to those services; land use was incidental in the arrangements considered (paragraphs 15–21).

The Court therefore held the disputed charges outside rent under section 194-I, rejected United Airlines and the impugned Delhi judgment on that point, and sustained the Madras result for the correct reasons. Having resolved the section 194-I question, it expressly found it unnecessary to examine the scope of section 194C further. The surviving section 194C treatment should not be expanded into an independently reasoned classification of every airport-related receipt (paragraphs 22–24).

Source: See the proposition-specific paragraph and PDF-page references below.

03 JUDICIAL DECISION

Japan Airlines' Civil Appeal No. 9875/2013 was allowed. Revenue's Civil Appeal Nos. 9876–9881/2013 concerning Singapore Airlines were dismissed. The identified landing and parking charges were not rent under section 194-I; there was no remand and no costs order (paragraphs 22–24).

Source: See the proposition-specific paragraph and PDF-page references below.

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Both assessee airlines

Japan Airlines appeal allowed; six Revenue appeals dismissed; no costs

Final classification of the specified landing and parking charges for the section 194-I dispute

The definition of rent remains broad. The case does not exclude all airport charges, actual leases or every arrangement combining land and services. Section 194C treatment remained undisturbed, but paragraph 23 declined a separate general analysis of its scope. Historical 2%/20% references are not current rates.

Source: See the proposition-specific paragraph and PDF-page references below.

05 AKHB REVIEW POINT

Identify the precise payment and the facilities for which it is charged. Preserve the agreement, regulated charging basis and operational service evidence; the physical presence of an aircraft on land alone did not answer the statutory question. Conversely, the judgment expressly rejects narrowing rent to formal leases, so it cannot justify ignoring section 194-I for an actual land-use arrangement merely because it has another label.

Keep the reasoned exclusion from section 194-I distinct from the source's broader headnote statement about section 194C. Do not convert the historical rates or the airline outcome into a current withholding schedule for every airport service. Relevant-year amendments and subsequent treatment require a separate check.

Source: See the proposition-specific paragraph and PDF-page references below.

APPEAL AND PROCEEDING NUMBERS

Civil Appeal No. 9875 of 2013 / Civil Appeal No. 9876 of 2013 / Civil Appeal No. 9877 of 2013 / Civil Appeal No. 9878 of 2013 / Civil Appeal No. 9879 of 2013 / Civil Appeal No. 9880 of 2013 / Civil Appeal No. 9881 of 2013

DETAILED DISPOSITION AND CONNECTED GROUPS

Appeal groups

1.

Appeals: Civil Appeal No. 9875 of 2013

Appellant: Japan Airlines

Disposition: Allowed

2.

Appeals: Civil Appeal Nos. 9876–9881 of 2013

Appellant: Revenue, concerning Singapore Airlines

Disposition: Dismissed

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Title, bench, date and conflicting jurisdiction year

Source url: [Open cited source](#)

Pdf pages: 1; 5; 17

Paragraphs: Cover; reported jurisdiction; 24

Source role: reported metadata and judicial text

2.

Topic: Two airline appeal groups and lead assessment year

Source url: [Open cited source](#)

Pdf pages: 5; 6; 7; 8; 9

Paragraphs: 1–9

Source role: judicial text

3.

Topic: Historical statutory frame and broad rent definition

Source url: [Open cited source](#)

Pdf pages: 9; 10; 11

Paragraphs: 10–14

Source role: judicial text

4.

Topic: Facilities and cost-based charging

Source url: [Open cited source](#)

Pdf pages: 12; 13; 14; 15; 16

Paragraphs: 15–21

Source role: judicial text

5.

Topic: Delhi rule rejected, Madras reasoning partly corrected

Source url: [Open cited source](#)

Pdf pages: 16; 17

Paragraphs: 22–23

Source role: judicial text

6.

Topic: Section 194C inquiry unnecessary and appeal outcomes

Source url: [Open cited source](#)

Pdf pages: 17

Paragraphs: 23–24

Source role: judicial text

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

194-i: Whether the identified landing/parking charges are rent

194c: Airlines had deducted under this provision; paragraph 23 expressly finds a broader scope inquiry unnecessary

201(1): Consequential short-deduction demand in the Japan Airlines facts

260a: High Court appeal route

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

A.K. Sikri, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(reported judgment\)](#)

Identified source rendition: 17 PDF pages; SHA-256

123a365522b7430dfcc7cf5a5c2a28258f64fc06cab5115e4371f6598d8358fb. Original bytes preserved.

Judicial paragraphs 1–24 occupy physical PDF pages 5–17 (SCR 842–854); pages 1–4 and opening of page 5 are editorial/report metadata. No adjacent judgment.

Open cited source rendition

AY 1998-99 is expressly the narrated Japan Airlines case. Separate years for the six Singapore Airlines appeals are not supplied and are not inferred.

Cover and operative paragraph 24 identify CA 9875/2013, with CA 9876–9881/2013. The jurisdiction line on PDF page 5 prints 9875/2015; this isolated conflict is preserved, with the cover and operative year used.

The printed jurisdiction year 2015 for CA 9875 on page 5 conflicts with the cover and operative paragraph 24, which both say 2013. The operative/cover identity is retained with the discrepancy disclosed.; Paragraph 6 prints Rs.61,60,486 paid and Rs.1,57,082 as tax calculated at 2%; those figures do not arithmetically reconcile. No silent correction or computed demand is supplied.; The headnote broadly says section 194C applies, but judicial paragraph 23 expressly declines a further scope examination after rejecting section 194-I. The judicial limit controls the note.; Sections 194C and 194-I are reproduced in versions not independently reconciled to every historical payment or companion assessment year. No current rates or threshold certification.; The source's descriptions and expansion of IATA and detailed aviation claims are not independently certified; the note relies on the Court's tax-character analysis of the service and charging evidence.

STATUTORY SCOPE

Current statutory equivalence and 2025 Act applicability have not been verified.

LATER TREATMENT

Source checked 2026-10-04. No comprehensive subsequent judicial or statutory treatment search is claimed. Authorities described in the discussion are those considered in this judgment unless expressly stated otherwise.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 17](#)

SHA-256: 123a365522b7430dfcc7cf5a5c2a28258f64fc06cab5115e4371f6598d8358fb

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