
Income Tax Officer and Others Vs Sriram Bearings Ltd. and Others

Civil Appeal No. 2350 of 1986 & 6943 of 1995

Court: Supreme Court of India

Date of Decision: Sept. 26, 1996

Citation: (1997) 224 ITR 724 : (1997) 10 SCC 332

Hon'ble Judges: S. C. Sen, J; B.P. Jeevan Reddy, J

Bench: Division Bench

Final Decision: Disposed Of

Judgement

@JUDGMENTTAG-ORDER

Civil Appeal No. 2350 of 1986 :

1. We have heard counsel for the appellant and respondent.

2. We are not prepared to agree that the High Court has not correctly understood the purport of the agreement between the respondent and

Nippon Seike Kabushiki Kaisha (N.S.K.). The agreement is in two parts. It is true that the two parts are interdependent but yet the consideration

for the sale of trade secrets and consideration of technical assistance is separately provided for and mentioned under separate sections. So far as

the consideration for the technical assistance is concerned, its taxability is not in doubt. The only controversy is with respect to the taxability of

1,65,000 U.S. dollars which is stipulated as the consideration for sale of trade secrets. The agreement specifically says that the said sale is effected

in Japan. We are unable to see on what basis it can be said that any part of the said amount has been earned in India.

3. The appeal is dismissed. No costs.

Civil Appeal No. 6943 of 1995 :

4. For the reasons given in Civil Appeal No. 2350 of 1986, this appeal is also dismissed. No costs.