

Executors of the Estate of J. K. Dubash v. Commissioner of Income-tax, Bombay City

Civil Appeal No. CV (105) of 1949

[1950] SCR 969 | 1950-12-21

Business succession on death and the historical section 25(4) transition relief.

Indian Income-tax Act 1922 sections 25(4), 26(2), 3, 10, 24B

Three-judge bench | Harilal Kania C.J. | M. Patanjali Sastri J. | S.R. Das J.

Scope and outcome limits

Widow-payment question was expressly not pursued; no Supreme Court decision on its merits. No assessment year is expressly identified; relevant disputed trading period starts 1 April 1942. The opinions describe the short exempt period differently at its endpoint; avoid inventing an inclusive-day computation.

01 FACTS OF THE CASE

J. K. Dubash died on 9 April 1942. His will directed executors to keep his shipping-agency business running as a going concern, empowered them to make contracts and act as absolute owners, and provided for sale to a nephew or other buyer. The business was sold to a nephew on 1 January 1943. Having been taxed under the 1918 Act, it qualified for the historical section 25(4) transition relief; the dispute was whether succession occurred at death or only on sale, determining the relief period.

Source: [Primary report: SCR 970-973 / PDF 2-5](#)

02 DISCUSSION BY THE HON'BLE COURT

Kania C.J. held that the business vested in the executors at death, and they then carried it on as assessee liable on its profits. Their intention to sell, lack of beneficial ownership and obligation to account to the estate did not defer succession. Patanjali Sastri J. separately explained that succession included devolution on death; beneficial ownership was not essential, though the successor must carry on as principal rather than merely as a clerk or agent. The executors' liability for post-death trading profits differed from their limited representative liability for the deceased's profits.

Source: [Primary report: SCR 973-979 / PDF 5-11](#)

03 JUDICIAL DECISION

The appeal was dismissed with costs. Succession for section 25(4) occurred on 9 April 1942, the death date, not 1 January 1943 when the executors sold the business. The claimed extension of relief to the sale date failed.

Source: [Primary report: SCR 974, 978-979 / PDF 6, 10-11](#)

04 OUTCOME / IN WHOSE FAVOUR

Revenue on the disputed succession date and extended relief period.

Source: [Primary report: SCR 973-974 / PDF 5-6](#)

05 AKHB REVIEW POINT

Separate the date when a successor starts carrying on the business as principal from the date of a later sale, and distinguish representative liability from the successor's own trading liability. This decision concerns the special 1918/1922 transition relief and does not itself determine modern estate-administration or business-succession consequences.

Source: [Primary report: SCR 972-978 / PDF 4-10](#)

SOURCE & VERIFICATION

[Supreme Court Reports primary scan — public eSCR mirror](#)

SCR 969-979; all 11 PDF pages read. The Pannalal Jankidas caption beginning on the last page is a different case.

[Open cited source rendition](#)

STATUTORY SCOPE

Historical Indian Income-tax Act, 1922 only; no present statutory equivalence or current-law clearance is asserted.

LATER TREATMENT

Source checked 2026-10-18. Subsequent treatment and current-law applicability have not been comprehensively checked.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from an identified primary report. Independent human review is not represented.

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