

Turner Morrison & Co. Ltd. v Commissioner of Income-tax, West Bengal

Civil Appeal No. 41 of 1952

[1953] SCR 520 | 1953-01-16

Indian Income-tax Act, 1922, sections 3, 4(1)(a), 4(1)(c), 42 and 43

Indian Income-tax Act, 1922, sections 3, 4(1)(a), 4(1)(c), 42 and 43

4-judge bench | Mehr Chand Mahajan J. | S. R. Das J. (author) | Vivian Bose J. | N. H. Bhagwati J.

Scope and outcome limits

Income-tax only before the Supreme Court; no current-law clearance.

01 FACTS OF THE CASE

The Indian agent sold salt manufactured in Egypt by a non-resident association, collected sale proceeds in India, deducted expenses and commission, and remitted the balance to Egypt. It argued that only the deemed-accrual provisions, with their associated apportionment, applied.

Source: [Primary report: SCR 522-525](#)

02 DISCUSSION BY THE HON'BLE COURT

Whether the profits embedded in the sale proceeds were actually received in India on behalf of the non-resident and assessable under section 4(1)(a), notwithstanding sections 42 and 43. The agent performed substantial selling and collection functions, not mere transmission. The proceeds belonged to the principal despite the agent's rights of retainer and lien. Any profits ultimately established by accounts and attributable to those proceeds were received when the proceeds were collected. Actual Indian receipt attracted section 4(1)(a), which applied to residents and non-residents; recourse to section 42's deeming fiction was unnecessary. Appointment under section 43 was for all purposes of the Act, not exclusively section 42.

Source: [Primary report: SCR 525-526; SCR 526-533](#)

03 JUDICIAL DECISION

The appeal was dismissed with costs, affirming the High Court's income-tax answers. The High Court's separate excess-profits-tax ruling was not appealed by Revenue and was outside this appeal.

Source: [Primary report: SCR 525, 533](#)

04 OUTCOME / IN WHOSE FAVOUR

The appeal was dismissed with costs, affirming the High Court's income-tax answers. The High Court's separate excess-profits-tax ruling was not appealed by Revenue and was outside this appeal.

Source: [Primary report: SCR 525, 533](#)

05 AKHB REVIEW POINT

Distinguish actual receipt from deemed accrual and verify an intermediary's authority and ownership of receipts. Gross receipts are not themselves equated with net taxable profit. Modern treaty and statutory attribution rules are not decided here.

Source: [Primary report: SCR 528-533](#)

SOURCE & VERIFICATION

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

PDF 1-14 / SCR 520-533. Target ends before Nalinakhya Bysack caption on SCR 533.

[Open cited source rendition](#)

STATUTORY SCOPE

Historical statutory text and assessment period only. Present statutory equivalence and later judicial treatment are not cleared.

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.

PROFESSIONAL DISCLAIMER

General legal and tax research only; not legal or tax advice. Verify the complete judgment, applicable statutory version and subsequent treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding. No current-law clearance is claimed.