

Sardar Indra Singh and Sons Ltd. v Commissioner of Income-tax, West Bengal

Civil Appeal No. 40 of 1952

[1954] SCR 167 | 1953-09-23

Indian Income-tax Act, 1922, section 10

Indian Income-tax Act, 1922, section 10

5-judge bench | Patanjali Sastri CJI (author) | S. R. Das J. | Vivian Bose J. | Ghulam Hasan J. | N. H. Bhagwati J.

Scope and outcome limits

No current-law clearance; factual classification under the historical Act.

01 FACTS OF THE CASE

A financing and company-promotion business regularly changed shareholdings and used borrowings. It claimed gains on securities were capital realisations, although an earlier loss had been allowed as business loss.

Source: [Primary report: SCR 168-170](#)

02 DISCUSSION BY THE HON'BLE COURT

Was the surplus sufficiently connected to carrying on the financing business to constitute taxable trading profit? A separate business of securities dealing was unnecessary. Sales in the normal course of financing operations sufficed. The Tribunal's evidence established that acquiring and realising investments was directly connected with the company's actual financing business.

Source: [Primary report: SCR 170-171; SCR 169-171](#)

03 JUDICIAL DECISION

The company's appeal was dismissed with costs.

Source: [Primary report: SCR 171](#)

04 OUTCOME / IN WHOSE FAVOUR

The company's appeal was dismissed with costs.

Source: [Primary report: SCR 171](#)

05 AKHB REVIEW POINT

Examine actual business activities and the role of investments, not only their description or the company's objects. The ruling does not make every investment disposal trading income.

Source: [Primary report: SCR 170-171](#)

SOURCE & VERIFICATION

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

Five pages / SCR 167–171. First page contains Sohan Pathak conclusion; last page starts A. W. Figgies.

[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.

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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.