

Kshetra Mohan-Sannyasi Charan Sadhukhan v Commissioner of Excess Profits Tax, West Bengal

Civil Appeal No. 173 of 1952

[1954] SCR 268 | 1953-10-20

Excess Profits Tax Act, 1940, sections 7 and 8(1)

Excess Profits Tax Act, 1940, sections 7 and 8(1) | Indian Income-tax Act, 1922, section 26-A

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

Historical statutory scope

No current-law clearance; historical excess-profits-tax continuity rule.

01 FACTS OF THE CASE

A business earlier carried on by representatives of two Dayabhaga families became a partnership of eight separated members. The new firm sought to carry forward earlier deficiencies exceeding Rs. 84,000.

Source: [Primary report: SCR 270-273](#)

02 DISCUSSION BY THE HON'BLE COURT

Was there a change in persons carrying on the business under section 8, preventing that carry-forward? A partnership of family kartas is legally a partnership of those individuals, not automatically of every family member. The binding factual statement and contemporaneous documents established two partners before disruption and eight thereafter. The assessee could not replace those findings with a new factual theory on reference. The resulting change attracted section 8.

Source: [Primary report: SCR 273-276; SCR 273-276](#)

03 JUDICIAL DECISION

The appeal was dismissed with costs; the High Court's affirmative answer stood. Earlier deficiencies were not available to the changed business.

Source: [Primary report: SCR 276](#)

04 OUTCOME / IN WHOSE FAVOUR

Revenue. The appeal was dismissed with costs; the High Court's affirmative answer stood. Earlier deficiencies were not available to the changed business.

Source: [Primary report: SCR 276](#)

05 AKHB REVIEW POINT

Identify actual partners and preserve evidence of constitution at each stage. Popular descriptions of a family partnership do not establish individual membership. The minor's later majority issue was unnecessary and not decided.

Source: [Primary report: SCR 274-276](#)

SOURCE & VERIFICATION

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

Nine pages / SCR 268-276. First page begins with Thiagaraja Chetty ending before target caption.

[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 2026-10-19. 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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