

Commissioner of Income-tax, Bombay City v. Royal Western India Turf Club Ltd.

Civil Appeal No. 165 of 1951

[1954] SCR 289 | 1953-10-26

Indian Income-tax Act, 1922: sections 10(1), 10(6), 66(1)

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

Historical statutory scope

Historical 1922 Act ruling concerning specified commercial racing receipts. Membership entrance fees and periodic subscriptions were expressly not sought to be taxed. Not a blanket rule taxing every club receipt; no current-law clearance.

01 FACTS OF THE CASE

The racecourse company charged members and the public for racing facilities. It sought to exclude members' season admission fees (Rs. 23,635), daily admission fees (Rs. 51,777), private-box charges (Rs. 21,490), and entries/forfeits (Rs. 82,490). The High Court exempted the first three; the company did not appeal the fourth item's taxability. Revenue challenged the first three exemptions under section 10(1), alternatively section 10(6).

Source: [Primary report: SCR 292-296](#)

02 DISCUSSION BY THE HON'BLE COURT

After examining mutual insurance and club authorities, the Court found one commercial racing business giving substantially similar facilities for a price to members and outsiders. There was no relevant mutual dealing or common contribution arrangement for discharging reciprocal obligations. Membership alone did not prevent the company earning business profits from members. All four identified receipts were business receipts under section 10(1). Section 10(6) did not apply because the company was not a trade, professional or similar association; a trading company was not necessarily a trade association.

Source: [Primary report: SCR 297-308; SCR 308-309](#)

03 JUDICIAL DECISION

The revenue appeal was allowed with costs here and in the High Court. The first question was answered affirmatively and the second negatively.

Source: [Primary report: SCR 309-310](#)

04 OUTCOME / IN WHOSE FAVOUR

Revenue. The revenue appeal was allowed with costs here and in the High Court. The first question was answered affirmatively and the second negatively.

Source: [Primary report: SCR 309-310](#)

05 AKHB REVIEW POINT

Separate the disputed commercial facility charges from membership entrance fees and periodic subscriptions, which the Court expressly said were not sought to be taxed. The judgment does not establish that every incorporated club or every receipt from members is taxable.

Source: [Primary report: SCR 302, 308-309](#)

SOURCE & VERIFICATION

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

All twenty-two PDF pages fully read. Preceding Saraswathi Ammal tail on SCR 289 and subsequent Satyabrata headnote on SCR 310 are separate matters.

[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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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.