# Union of India v. Madan Gopal Kabra

Civil Appeal No. 296 of 1951

[1954] SCR 541 | 1953-12-16

## Indian Income-tax Act, 1922: sections 2(14-A), 3, 4, 4A

Indian Income-tax Act, 1922: sections 2(14-A), 3, 4, 4A | Finance Act, 1950: sections 2, 3, 13 | Constitution: articles 245, 246; List I entry 82

5-judge bench | Patanjali Sastri C.J. | Mehr Chand Mahajan J. | S. R. Das J. | Ghulam Hasan J. | Jagannadhadas J.

**Historical statutory scope and outcome limits**

Historical integration and 1922 Act provisions only; no current-law clearance.

### 01 FACTS OF THE CASE

A Jodhpur resident challenged assessment of income earned in Rajasthan before 1 April 1950, where no relevant state income-tax law had applied. The High Court restrained the Union from taxing that income.

Source: Primary report: SCR 543–544

### 02 DISCUSSION BY THE HON'BLE COURT

The amended taxable-territories definition operated with the charging and residence provisions. Its reference to any period covered the earlier residence necessary for the 1950–51 assessment. The Court rejected a computation-only reading and the suggested indefinite preservation of former state laws.

Source: Primary report: SCR 546–554

### 03 JUDICIAL DECISION

The Finance Act authorised the charge. Parliament’s constitutional competence extended to retrospective income-tax legislation; the former accession restriction created no continuing personal immunity. The Court also explained that a prospective assessment charge drawing on prior-year income was not strictly retrospective merely for that reason.

Source: Primary report: SCR 554–558

### 04 OUTCOME / IN WHOSE FAVOUR

The Union’s appeal was allowed and the High Court judgment set aside, with no order as to costs.

Source: Primary report: SCR 558


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## 05 AKHB REVIEW POINT

Distinguish assessment year, previous year, residence deeming and legislative competence. The decision validates the specified integration-era charge; it does not dispense with statutory charging language or decide every possible constitutional challenge to later retrospective taxes.

Source: Primary report: SCR 549–558

## SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

All eighteen pages read. Preceding D. R. Madhavakrishnaiah conclusion at SCR 541 and following Bela Banerjee opening at SCR 558 are separate judgments. Exact reporter boundary fragments are preserved.

Source distinction: The primary report prints “Case No. 296 of 1951” under Civil Appellate Jurisdiction; the appeal is identified here as Civil Appeal No. 296 of 1951.

Open cited source rendition

## STATUTORY SCOPE

Historical predecessor legislation only; this is not a decision applying the Income-tax Act, 1961. Verify the applicable statutory text separately.

## LATER TREATMENT

Source checked 2026-10-21. 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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