Commissioner of Income-tax/Excess Profits Tax, Bombay City v. Bhogilal Laherchand including Batliboi & Co.

Civil Appeal No. 160 of 1950 (as printed and listed by the Registry)

[1954] 1 SCR 444; 1953 INSC 94 | 1953-12-18

Historical section 42: territorial deeming applies to resident assessees too

Indian Income-tax Act 1922: sections 42(1), 42(3), 4 and 14(c)

4-judge bench | Mehr Chand Mahajan J. | S.R. Das J. | Ghulam Hasan J. | Jagannadhadas J.

Unresolved documentary chronology and figures

The report and Registry list identify Civil Appeal 160/1950, while SCR 445 describes the challenged High Court judgment as dated 30 March 1951. No official correction or explanation was located in the searches conducted. Both are retained as recorded; neither has been silently corrected. The report also contains Rs.37,000 references, while the headnote and referred question specify Rs.37,500. This note does not resolve that numerical inconsistency.

01 FACTS OF THE CASE

An assessee traded through Bombay, Madras and Mysore establishments. Revenue attributed part of the Mysore trading profits to operations in British India. The Tribunal and High Court treated section 42 as restricted to non-residents.

Source: Primary report: SCR 445-446; PDF 2-3

02 DISCUSSION BY THE HON'BLE COURT

The 1939 amendment removed the restriction to non-residents. The language of sections 4, 14(c) and 42 showed that subsections 42(1) and 42(3) covered residents too. The obsolete marginal note could not restrict the statutory language. The historical territorial and exemption provisions had to be read together.

Source: Primary report: SCR 448-453; PDF 5-10

03 JUDICIAL DECISION

Revenue's appeal was allowed with costs. The first referred question was answered in the affirmative.

Source: Primary report: SCR 453-454; PDF 10-11

04 OUTCOME / IN WHOSE FAVOUR

Revenue, on the disputed applicability of section 42 to resident assessees. The appeal did not independently redetermine the underlying profit estimates.

Source: Primary report: SCR 445-446 and 453-454; PDF 2-3 and 10-11

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05 AKHB REVIEW POINT

Identify the applicable statutory version, territorial operations and scope of the reference before using this historical ruling in a modern matter. Do not rely on the unresolved monetary figures or infer that the Court independently recomputed the attributed profits. Keep the documentary chronology qualification with any citation to the printed docket.

Source: Primary report: Editorial analysis anchored in SCR 445-454; not an additional holding

SOURCE & VERIFICATION

Supreme Court Reports: complete primary scan

Complete 11-page report segment, SCR 444-454. Adjoining case fragments are retained in the unchanged original and excluded from this analysis.

Open cited source rendition

Judgment identity is corroborated by the official Registry neutral-citation list, Annexure A, row 282: matching parties, decision date, SCR pages, docket and 1953 INSC 94. This corroborates identity; it does not correct the documentary chronology.

STATUTORY SCOPE

The decision applies the Indian Income-tax Act, 1922 and its historical territorial and State-integration setting. It is not a ruling under the Income-tax Act, 1961 or 2025; modern equivalence and applicability require independent verification.

LATER TREATMENT

Source checked 2026-10-26. Subsequent treatment and present-law applicability have not been comprehensively checked.

IDENTIFIED SOURCE LINKS

Official Registry neutral-citation list: Annexure A, row 282

AI DISCLOSURE

AI-assisted research checked against the complete identified primary report. Independent human approval is not represented. Documentary source exceptions are expressly disclosed.

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