India United Mills Ltd. v. Commissioner of Excess Profits Tax, Bombay

Civil Appeal 160 of 1953

[1955] 1 SCR 810 | 1954-10-28

Excess Profits Tax Act 1940, sections 15, 26(3)

Excess Profits Tax Act 1940, sections 15, 26(3)

5-judge bench | Mehr Chand Mahajan C.J. | S. R. Das | Ghulam Hasan | Bhagwati | Venkatarama Ayyar

Historical statutory scope and outcome limits

One additional referred question was not argued before the Supreme Court. No final opinion on discovery under the Indian Income-tax Act was expressed. Historical statutory setting; no later-treatment or current-law clearance is claimed.

01 FACTS OF THE CASE

The company received special wartime allowances on its representation that additional buildings, plant and machinery would not be required after hostilities. Revenue later found those assets remained in business use after the war and reopened the assessments.

Source: Primary report: SCR 811–814

02 DISCUSSION BY THE HON'BLE COURT

Section 15 required escaped or underassessed profits or excessive relief discovered through definite information. Its discovery power included subsequent facts materially bearing on a relief expressly dependent on future circumstances. The section supplied machinery to implement section 26(3); the proviso permitting conditions did not displace that jurisdiction.

Source: Primary report: SCR 815–821

03 JUDICIAL DECISION

Reassessments were valid. The assessee’s appeal was dismissed with costs.

Source: Primary report: SCR 821–822

04 OUTCOME / IN WHOSE FAVOUR

Revenue succeeded.

Source: Primary report: SCR 821–822

05 AKHB REVIEW POINT

Distinguish a future-dependent allowance disproved by later use from a correct contemporaneous estimate merely reconsidered later. The Court expressly declined a final ruling on corresponding Income-tax Act reassessment provisions.

Source: Primary report: SCR 819–822

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SOURCE & VERIFICATION

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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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