Firm of Bhagat Ram Mohanlal v. Commissioner of Excess Profits Tax, Madhya Pradesh, Nagpur and Another

Civil Appeal 139 of 1953

[1956] SCR 143 | 1956-02-15

Historical interpretation: Excess Profits Tax Act 1940, sections 2(17), 7, 8(1), 20 and 22

Excess Profits Tax Act 1940, sections 2(17), 7, 8(1), 20 and 22 | Indian Income-tax Act 1922, section 26A

3-judge bench | S. R. Das | N. H. Bhagwati | T. L. Venkatarama Ayyar

Historical statutory scope and source qualifications

Historical excess-profits legislation; no current-law clearance. Whether assessee could contradict its registration certificate was unnecessary to decide.

01 FACTS OF THE CASE

A firm obtained refund by setting a later deficiency against earlier excess profits. After the HUF partner partitioned, its karta and two brothers joined a reconstituted firm individually. The Commissioner rectified the refund to the extent of the former family share.

Source: Primary report: SCR 145–148

02 DISCUSSION BY THE HON'BLE COURT

Other coparceners did not become partners merely because the karta joined. The 1944 constitution changed persons carrying on business under section 8(1). Income-tax registration records could be used in the excess-profits rectification under section 22; record was not confined to the refund order alone.

Source: Primary report: SCR 148–153

03 JUDICIAL DECISION

Appeal dismissed with costs; the rectification and recovery of the family-share refund stood.

Source: Primary report: SCR 147 and 153

04 OUTCOME / IN WHOSE FAVOUR

Revenue succeeded; the maintained refunds of the two continuing partners were not disturbed by the challenged order.

Source: Primary report: SCR 147–148, 153

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05 AKHB REVIEW POINT

Identify actual partners before and after partition and distinguish a mere change in profit shares from changed persons. The case applies the special 1940 Act scheme and inter-use of records; it does not establish unrestricted rectification of debatable questions.

Source: Primary report: SCR 148–153

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 11-page Supreme Court Reports scan. Any adjoining report fragments remain in the unchanged original and are excluded from this analysis.

Open cited source rendition

STATUTORY SCOPE

Historical legislation expressly identified in this note. This is not a decision under the Income-tax Act, 1961 or the Income-tax Act, 2025. Verify enacted wording, commencement, transition and subsequent judicial treatment independently before modern reliance.

LATER TREATMENT

Source checked 2026-10-23. Subsequent treatment and present-law applicability have not been comprehensively checked.

AI DISCLOSURE

This AKHB research note uses AI assistance and a preserved full-primary review, with refreshed exact original-byte verification. Independent human review is not represented.

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