Bidi Supply Co. v. Union of India and Others

Petition 271 of 1955

[1956] SCR 267 | 1956-03-20

Historical interpretation: Indian Income-tax Act 1922, sections 5(7A), 64(1), 64(2), 64(5)(b)

Indian Income-tax Act 1922, sections 5(7A), 64(1), 64(2), 64(5)(b) | Constitution Article 14

5-judge bench | S. R. Das C.J. | Vivian Bose | N. H. Bhagwati | B. Jagannadhadas | B. P. Sinha

Historical statutory scope and source qualifications

Historical unamended transfer provision. Majority did not invalidate section 5(7A); separate concurrence must not be represented as majority holding. No present-law clearance.

01 FACTS OF THE CASE

A Calcutta-based business with factories in Bihar challenged a Board order transferring its case to Ranchi without identifying pending assessment years or limiting duration. No hearing preceded the omnibus transfer.

Source: Primary report: SCR 268–275

02 DISCUSSION BY THE HON'BLE COURT

The majority construed the then section 5(7A) as authorising transfer of a particular pending assessment case, not an unlimited prospective transfer. The invalid executive direction deprived the petitioner of its section 64 position in a discriminatory manner. Bose J. concurred in relief but took the broader view that the transfer provisions were unconstitutional.

Source: Primary report: SCR 275–287

03 JUDICIAL DECISION

Petition allowed; transfer order set aside and restraint against the Ranchi officer granted under prayer (c), with costs.

Source: Primary report: SCR 278

04 OUTCOME / IN WHOSE FAVOUR

Assessee obtained relief against the particular omnibus transfer.

Source: Primary report: SCR 275–278

05 AKHB REVIEW POINT

Keep the majority statutory ground separate from Bose J.’s broader constitutional reasoning. The majority expressly left constitutionality of section 5(7A) and other constitutional grounds undecided. Later amendments and transfer decisions require separate review.

Source: Primary report: SCR 277–278, 278–287

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SOURCE & VERIFICATION

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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

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