Member for the Board of Agricultural Income-tax, Assam v. Smt. Sindhurani Chaudhurani and connected appeals

Civil Appeal 162 of 1955 and Civil Appeals 38–44 of 1956

[1957] SCR 1019 | 1957-04-24

Historical interpretation: Assam Agricultural Income-tax Act 1939, section 2(a)(i)

Assam Agricultural Income-tax Act 1939, section 2(a)(i)

3-judge bench | N. H. Bhagwati | T. L. Venkatarama Ayyar | J. L. Kapur

Historical statutory scope and source qualifications

Historical Assam agricultural-income-tax ruling, included as historical direct-tax coverage. Current legislation and subsequent treatment not checked.

State agricultural-income-tax scope

This note concerns the identified State agricultural-income-tax legislation and its constitutional or statutory setting. It does not establish a central Income-tax Act computation or reopening rule.

01 FACTS OF THE CASE

Zamindars received salami before granting agricultural holdings. Rates varied with land quality and payments recurred only on fresh settlements, including reletting after auction purchase. Calcutta and Assam High Courts had reached opposing tax results.

Source: Primary report: SCR 1020–1024

02 DISCUSSION BY THE HON'BLE COURT

The actual receipts were single non-recurring payments preceding tenancy, purchasing an interest in land rather than rent. Repeated settlements of different holdings did not convert each capital premium into periodic income. Tenures had practical stability; payments were not asserted to be capitalised rent.

Source: Primary report: SCR 1025–1031

03 JUDICIAL DECISION

Revenue appeal 162 dismissed with costs; assessees' appeals 38–44 allowed, Assam judgment set aside and references answered negatively. Appeal 42 carried own costs because its appellant was not served and absent.

Source: Primary report: SCR 1031–1032

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04 OUTCOME / IN WHOSE FAVOUR

Assessees succeeded: these salami receipts were capital and outside the agricultural-income definition applied.

Source: Primary report: SCR 1031–1032

05 AKHB REVIEW POINT

Examine what the premium actually purchases, when paid and tenancy conditions. The name salami alone is not decisive; distinguish advance rent, renewal fees and other payments after tenancy exists. No blanket modern capital-gains exemption follows.

Source: Primary report: SCR 1024–1031

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 14-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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