# J. K. Trust, Bombay v. Commissioner of Income-tax/Excess Profits Tax, Bombay

Civil Appeal 246 of 1954

[1958] SCR 65 | 1957-05-22

## Historical interpretation: Indian Income-tax Act 1922, sections 4(3)(i), 4(3)(ia) and 66

Indian Income-tax Act 1922, sections 4(3)(i), 4(3)(ia) and 66

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

### Historical statutory scope and source qualifications

Substantive legal ruling followed by remand; final exemption was not decided. Historical statutory clauses; current law not checked.

### 01 FACTS OF THE CASE

Trustees constituted a managing agency with trust authority and a one-lakh-rupee security deposit. They claimed charitable exemption for agency remuneration. Revenue denied that the business was trust property and alternatively relied on special business-exemption conditions.

Source: Primary report: SCR 66–70

### 02 DISCUSSION BY THE HON'BLE COURT

Business and a remunerative managing agency could be property held on trust. Obligations and terminability did not prevent that character; using trust funds as security assisted acquisition despite no direct trading investment. But interaction of clauses (i) and (ia) still required determination.

Source: Primary report: SCR 70–78

### 03 JUDICIAL DECISION

Case remanded to Bombay High Court to decide the second referred question; Revenue ordered to pay appeal and previous High Court costs, further costs left to that court.

Source: Primary report: SCR 78

### 04 OUTCOME / IN WHOSE FAVOUR

Assessee succeeded on property/trust character and obtained remand, not a final grant of exemption.

Source: Primary report: SCR 76–78


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## 05 AKHB REVIEW POINT

Separate the existence of trust property from satisfaction of statutory business-exemption conditions. The Court deliberately left the clause (ia) interaction undecided; do not present this as unconditional exemption for trust businesses.

Source: Primary report: SCR 76–78

## 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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