Commissioner of Income-tax, Mysore, Travancore-Cochin and Coorg v. Indo Mercantile Bank Ltd.

Civil Appeals Nos. 259 and 260 of 1958

[1959] Supp. 2 SCR 256 | 1959-02-23

Historical interpretation: Travancore Income-tax Act sections 13 and 32(1)

Travancore Income-tax Act sections 13 and 32(1) | Income-tax Act 1922 sections 10 and 24(1)

3-judge bench | N. H. Bhagwati | B. P. Sinha | J. L. Kapur

Historical statutory scope and source qualifications

Historical legislation; current treatment has not been independently cleared.

01 FACTS OF THE CASE

Two Cochin-based companies earned Travancore business profits while suffering business losses outside Travancore. The Revenue invoked the first proviso to section 32(1) to refuse adjustment of those losses.

Source: Primary report: SCR 258–261

02 DISCUSSION BY THE HON'BLE COURT

The main provision governed loss set-off between different heads; computation and adjustment within the business head belonged to section 13, corresponding to Indian section 10. A proviso ordinarily operates within its parent provision, and this proviso contained no language extending it to intra-head computation.

Source: Primary report: SCR 264–268

03 JUDICIAL DECISION

The outside business losses could be adjusted against business profits under the applicable scheme. Business was not territorially split in the manner urged by Revenue.

Source: Primary report: SCR 269

04 OUTCOME / IN WHOSE FAVOUR

Both Revenue appeals were dismissed with costs; the common reference question remained answered for the taxpayers.

Source: Primary report: SCR 269

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05 AKHB REVIEW POINT

A separate question in Appeal 260 concerning the proper previous year and applicability of the Indian Act was expressly left undecided, with the taxpayer free to pursue appropriate steps. The ruling concerns the historical territorial and statutory scheme.

Source: Primary report: SCR 259, 269

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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