Saroj Kumar Mazumdar v. Commissioner of Income-tax, West Bengal, Calcutta

Civil Appeal No. 347 of 1955

[1959] Supp. (2) SCR 846 | 1959-05-04

Historical interpretation: Indian Income-tax Act, 1922, sections 2(4), 10, 66

Indian Income-tax Act, 1922, sections 2(4), 10, 66 | Constitution, Article 136

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

Historical statutory scope and source qualifications

Historical statutory provisions; subsequent treatment and current-law applicability have not been verified.

01 FACTS OF THE CASE

Engineer and businessman contracted for a residential-development plot, paying Rs 32,748, then assigned rights for profit after requisition delays and declining construction activity. Revenue treated Rs 74,485 profit as trading income; appellate commissioner treated it as capital gain; Tribunal restored trading assessment.

Source: Primary report: SCR 848–853

02 DISCUSSION BY THE HON'BLE COURT

Majority assessed total circumstances of isolated transaction outside usual business. Means, instalment terms, possible house/workshop use and changed circumstances did not establish dominant trading intention; expectation of appreciation alone was insufficient. Kapur dissented on procedure and fact-finding, favouring remand for omitted essential facts rather than outright relief.

Source: Primary report: SCR 853–868

03 JUDICIAL DECISION

By Bhagwati and Sinha majority, Department failed to establish adventure in nature of trade. Kapur would remit to Tribunal for proper findings and determination.

Source: Primary report: SCR 864–868

04 OUTCOME / IN WHOSE FAVOUR

Appeal allowed with costs by majority; Tribunal orders set aside. Do not label remand dissent as operative or assert all taxation—including capital gains—was exempted.

Source: Primary report: SCR 865, 868

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05 AKHB REVIEW POINT

Single transactions can be trade; this outcome rests on total facts and failure of proof, not a universal one-sale exemption. Preserve dissent and limited income-head issue.

Source: Primary report: SCR 854–864, 866–868

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 23-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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