Shri Jagdish Mills Ltd. v. Commissioner of Income-tax, Bombay North, Kutch and Saurashtra, Ahmedabad

Civil Appeals Nos. 681 and 682 of 1957

[1960] 1 SCR 236 | 1959-05-12

Historical interpretation: Indian Income-tax Act, 1922, section 4(1)(a)

Indian Income-tax Act, 1922, section 4(1)(a)

3-judge bench | S. R. Das | N. H. Bhagwati | M. Hidayatullah

Historical statutory scope and source qualifications

Historical territorial income-tax rules; subsequent treatment/current-law applicability unverified. Primary report p.238 describes AYs 1943–44 and 1944–45, while pp.236 and 239–240 use 1942–43 and 1943–44; assessmentYears intentionally unpopulated pending independent corroboration.

01 FACTS OF THE CASE

Baroda textile manufacturer supplied Government goods outside British India under contracts requiring payment by cheque. Government posted cheques from Delhi, received at Baroda and banked in Bombay or Ahmedabad. Tribunal found implied request to post and taxable-territory receipt.

Source: Primary report: SCR 238–241

02 DISCUSSION BY THE HON'BLE COURT

Subsequent encashment location alone did not establish first receipt; honoured cheque payment related back to delivery. On surrounding commercial circumstances, contractual cheque payment between Delhi and Baroda implied postal transmission, making post office creditor’s agent. Mere posting without express or implied request would not suffice.

Source: Primary report: SCR 241–248

03 JUDICIAL DECISION

Implied request was established; posting in Delhi was receipt through assessee’s agent within taxable territories under section 4(1)(a).

Source: Primary report: SCR 247–248

04 OUTCOME / IN WHOSE FAVOUR

Both assessee appeals dismissed with costs, one set for the two appeals.

Source: Primary report: SCR 248

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05 AKHB REVIEW POINT

Document the implied-request evidence; not every mailed cheque means taxable-territory receipt. Primary report has inconsistent assessment-year references and none is silently chosen here.

Source: Primary report: SCR 238–240, 244, 247–248

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 13-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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