Commissioner of Income-tax, Delhi v. P. M. Rathod & Co.

Civil Appeal No. 373 of 1957

[1960] (1) SCR 401 | 1959-05-20

Historical interpretation: Indian Income-tax Act, 1922: section 66(1); Sale of Goods Act, 1930: section 25; Contract Act, 1872: section 148

Indian Income-tax Act, 1922: section 66(1); Sale of Goods Act, 1930: section 25; Contract Act, 1872: section 148

3-judge bench | B. P. Sinha | J. L. Kapur | M. Hidayatullah

Historical statutory scope and source qualifications

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

01 FACTS OF THE CASE

Ratlam perfumery manufacturers sent goods to Part A/C State buyers by value-payable post or by rail with self railway receipts released by banks only against price. They claimed Part B State concessional rates because money was remitted to Ratlam.

Source: Primary report: SCR 403–406

02 DISCUSSION BY THE HON'BLE COURT

For value-payable delivery, the post office collected as seller’s agent and the seller retained disposal control until payment. Banks similarly received price as seller’s agent against railway receipts. Later remittance to Ratlam did not move the original receipt. The Court reframed the second reference question to reflect the actual collection transaction.

Source: Primary report: SCR 406–410

03 JUDICIAL DECISION

Both streams were receipts in Part A/C States; the claimed Part B concession was unavailable.

Source: Primary report: SCR 409–410

04 OUTCOME / IN WHOSE FAVOUR

Revenue’s appeal was allowed, with costs in the Court and High Court.

Source: Primary report: SCR 410

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05 AKHB REVIEW POINT

Identify first receipt through an agent and conditional appropriation; distinguish a bank draft remittance from collection of price by the bank. Part A/B/C State tax treatment is historical, not a current territorial classification.

Source: Primary report: SCR 406–410

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 10-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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