Commissioner of Income-tax, Bombay v. Jalgaon Electricity Supply Co. Ltd.

Civil Appeal No. 477 of 1957

[1960] (3) SCR 880 | 1960-05-04

Historical interpretation: Finance Acts, 1949 and 1950: paragraph B, Part I of respective Schedules

Finance Acts, 1949 and 1950: paragraph B, Part I of respective Schedules

3-judge bench | S. K. Das | 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

The company paid dividends above its assessed income, which had been reduced by depreciation and deductions. No profits were brought forward from earlier years. The Tribunal majority and High Court held the additional-income-tax calculation inapplicable.

Source: Primary report: SCR 882–883

02 DISCUSSION BY THE HON'BLE COURT

The statutory fiction required sufficient undistributed profits of preceding years not already used to cover another excess dividend. Without those profits both the fiction and the calculation mechanism failed. Liability could not first be assumed or the provision rewritten to achieve perceived fairness.

Source: Primary report: SCR 884–887

03 JUDICIAL DECISION

Although excess dividends existed, no additional tax arose under these provisions on the recorded facts.

Source: Primary report: SCR 885–887

04 OUTCOME / IN WHOSE FAVOUR

Revenue’s appeal was dismissed with costs.

Source: Primary report: SCR 887

05 AKHB REVIEW POINT

Apply the complete charging/calculation mechanism and its factual predicates. Separate this decision from the preceding Khatau Makanji judgment whose ending appears on the first page; neither permits a general present-day exemption for excess dividends.

Source: Primary report: SCR 880, 884–887

©AKHB & Associates | AKHB commentary/design only; no claim over reproduced statutes or judgments.

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 8-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.

PROFESSIONAL DISCLAIMER

General legal and tax research only; not legal or tax advice. Verify the complete judgment, applicable statutory version and subsequent treatment before reliance. AKHB REVIEW POINT is editorial analysis, not the Court’s holding.

©AKHB & Associates | AKHB commentary/design only; no claim over reproduced statutes or judgments.