# Commissioner of Income-tax, Bombay City I v. Narsee Nagsee and Co., Bombay

Civil Appeal No. 319 of 1958

[1960] 3 SCR 988 | 1960-05-06

## Historical interpretation: Business Profits Tax Act, 1947: sections 11(1), 14

Business Profits Tax Act, 1947: sections 11(1), 14

3-judge bench | S. K. Das | J. L. Kapur | M. Hidayatullah

**Historical statutory scope and source qualifications**

Full majority and dissent read. Current treatment and later legislation not checked.

### 01 FACTS OF THE CASE

The officer issued a first section 11 notice in January 1953 for the chargeable period ending October 1948 and assessed the firm despite its limitation objection. The appellate authorities and High Court held the notice invalid.

Source: Primary report: SCR 988–992

### 02 DISCUSSION BY THE HON'BLE COURT

The majority read sections 11 and 14 together: escaped profits included cases where assessment had never commenced, not only failed or incomplete assessments. The statutory structure and related Income-tax provisions did not permit unlimited delayed first notices. Hidayatullah J dissented, finding section 11 unlimited for first assessments and section 14 confined to reopening earlier proceedings.

Source: Primary report: Majority SCR 992–1004; dissent SCR 1004–1026

### 03 JUDICIAL DECISION

By majority the assessment attempted after the four-year period was without jurisdiction. The Revenue could not avoid the section 14 limitation by calling it an original section 11 assessment.

Source: Primary report: SCR 1000–1004

### 04 OUTCOME / IN WHOSE FAVOUR

The Revenue appeal was dismissed with costs in accordance with the majority judgment. The dissent’s proposed allowance was not the Court’s order.

Source: Primary report: SCR 1026


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### 05 AKHB REVIEW POINT

Identify the precise statutory assessment and reopening machinery before applying a limitation rule. This historical Business Profits Tax holding does not supply a universal four-year limitation for other taxes or present-day reassessments.

Source: Primary report: SCR 993–1004, 1026

## SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 39-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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