

M/s. Zoraster and Co. v. The Commissioner of Income Tax, Delhi, Ajmer, Rajasthan and Madhya Bharat (now Madhya Pradesh)

Civil Appeal No. 30 of 1958 — Special leave was expressly restricted to High Court jurisdiction to call for a supplemental statement; the ultimate taxability of sale proceeds was not decided.

[1961] 1 SCR 210 | 1960-08-17

A broad referred question about receipt of sale profits permitted a supplementary inquiry into postal agency, provided the Tribunal confined itself to facts already admitted or found and admitted no fresh evidence.

1922 Act: 66(1) | 1922 Act: 66(4)

3 Judges | S. K. Das | M. Hidayatullah | J. C. Shah

01 FACTS OF THE CASE

The High Court could call for the supplemental statement within the existing record. A Jaipur firm supplied woollen goods to Government and received cheques at Jaipur, claiming receipt outside the taxable territories. The referred question broadly asked whether profits from Government sales were received in taxable territories. The High Court sought findings on whether cheques travelled by post or hand and on the firm's payment directions. Special leave concerned only jurisdiction to make that order.

Source: [SCR 212-213; target passages only,shared-page exclusions in read_bounds.](#)

02 DISCUSSION BY THE HON'BLE COURT

Hidayatullah J distinguished a new approach integral or incidental to the referred question from an entirely different question never decided by the Tribunal. New Jehangir Vakil Mills involved a narrower question about the effect of receiving cheques at Bhavnagar; the present question was wide enough to include postal agency. A separate restriction remained: a supplemental statement must rest on facts admitted or found by the Tribunal. The High Court's order was construed consistently with that restriction because it did not expressly require fresh evidence.

Source: [SCR 216-221; target passages only,shared-page exclusions in read_bounds.](#)

03 JUDICIAL DECISION

The supplemental-statement order was upheld on the confined-record construction. The Court neither authorised new evidence nor finally decided where this firm's profits were received.

Source: [SCR 220-221; target passages only,shared-page exclusions in read_bounds.](#)

04 OUTCOME / IN WHOSE FAVOUR

Firm's appeal dismissed. The Tribunal could supply the requested findings from the existing factual record. Costs awarded against the firm.

Source: [SCR 221-221; target passages only,shared-page exclusions in read_bounds.](#)

05 AKHB REVIEW POINT

Preserve the exact question referred and the evidentiary record. Breadth of wording may permit another legal approach, but cannot create evidence. Distinguish this 1922 Act advisory-reference decision from later statutory appeals on substantial questions of law.

Source: [SCR 219-221; target passages only, shared-page exclusions in read bounds.](#)

ORIGINATING PROCEEDINGS

1.

Case numbers: Civil Reference No. 3 of 1953

Relationship: Punjab High Court supplemental-statement order 24 March 1955.

SOURCE & VERIFICATION

Original reported Supreme Court judgment

12-page retained public-mirror SCR report. The complete report was read as text and page images. The acquisition URL is preserved provenance; current endpoint availability and authentication as a signed original are not newly verified. All 12 physical text and image pages personally read; SCR210-221. Target boundaries: physical PDF pages 1-12; SCR 210-221. Start: after previous-case disposition and divider. End: final disposition at end of source. Previous Madhubhai Amathalal Gandhi disposition at top of p. 1 is excluded. Caption says M/s. Zoraster and Co.; judicial body p. 3 says Messrs. S. Zoraster & Co.; both retained as source variants. Headnote p. 1 prints 1942-43 amount 10,80,653; body p. 3 prints 10,80,658. The amount is omitted from substantive prose.

Open cited source rendition

Previous Madhubhai Amathalal Gandhi disposition at top of p. 1 is excluded.

Caption says M/s. Zoraster and Co.; judicial body p. 3 says Messrs. S. Zoraster & Co.; both retained as source variants.

Headnote p. 1 prints 1942-43 amount 10,80,653; body p. 3 prints 10,80,658. The amount is omitted from substantive prose.

STATUTORY SCOPE

Indian Income-tax Act, 1922; 66(1), 66(4)

The retained Finance Act 2011 text distinguishes section 258, allowing additions or alterations to a reference statement, from section 260A appeals involving substantial questions of law. Section 256(1) there concerns Tribunal orders before 1 October 1998. These different procedures should not be conflated.

Section 365, Finance Act 2026 text, governs substantial-question-of-law appeals. It is not the 1922 Act supplemental-reference procedure.

Historical operative law remains separate from the specified later text. Tax-year applicability, unexamined statutory conditions, complete transition provisions and comprehensive later judicial history have not been verified.

LATER TREATMENT

Source checked 2026-10-08. Indore Malwa United Mills v. CIT(Central), Bombay, 19 November 1965, [1966] 2 SCR 651 at 655-656, cites Zoraster for allowing an alternative postal-agency contention within a broad referred question on found facts. Only this subsequent use was verified; no exhaustive history claim.

Only the identified later-use passage has been checked.

IDENTIFIED SOURCE LINKS

[Income-tax Act, 1961: bounded later-version comparison](#)

DOR-hosted Taxmann compilation as amended by Finance Act 2011. The retained Finance Act 2011 text distinguishes section 258, allowing additions or alterations to a reference statement, from section 260A appeals involving substantial questions of law. Section 256(1) there concerns Tribunal orders before 1 October 1998. These different procedures should not be conflated. Identified 2011 version; not current consolidated law, whole-Act or image review. Text pages read: 42, 912-915.

[Income-tax Act, 2025 bounded provisions](#)

Official compilation as amended by Finance Act 2026. Version lines 0-13; section 365, lines 18618-18652, physical pp 451-452. Capture hashes identify exact extracted tool-output bytes, not remote PDF bytes. No whole-source, image, current-applicability or exhaustive history claim.

[Indore Malwa United Mills v. Commissioner of Income-tax \(Central\), Bombay](#)

Judgment 19 November 1965, [1966] 2 SCR 651. Identity lines 0-15; judicial discussion lines 268-310 (SCR 655-656), express citation of Zoraster; end lines 435-447. Bounded later-use reading only. Capture hashes identify exact extracted tool-output bytes, not remote PDF bytes. No whole-source, image, current-applicability or exhaustive history claim.

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AI-assisted research. The AKHB Review Point is editorial analysis, not part of the Court's judgment.

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