

The Bhopal Sugar Industries Ltd. v. The Income-tax Officer, Bhopal

Civil Appeal No. 407 of 1956 — Single Article 133 appeal concerning refusal of Article 226 mandamus; no substantive appeal against the Tribunal's sugarcane valuation direction.

[1961] 1 SCR 474 | 1960-09-02

An Income-tax Officer must carry out a final superior Tribunal direction; supposed error in that direction cannot excuse disobedience, and mandamus was required to secure compliance.

Indian Income-tax Act, 1922 regime inferred from assessment year, section 66(1) and rule 23; Act year not expressly printed in target | 1922 regime (inferred): 66(1)

5 Judges | S. K. Das | M. Hidayatullah | K. C. Das Gupta | J. C. Shah | N. Rajagopala Ayyangar

01 FACTS OF THE CASE

Mandamus lay to compel compliance with the Tribunal's final direction. The sugar manufacturer disputed the market value of cane grown on its farms when separating agricultural income. The Tribunal directed the officer to use the controlled cane price plus average transport charges from purchasing centres to the factory, with further relief if the result exceeded the earlier allowed rate. Revenue withdrew its reference application. The officer instead used farm-to-factory expenses and refused relief. The Judicial Commissioner condemned the noncompliance but withheld a writ because he thought the Tribunal's valuation approach wrong.

Source: [SCR 475-479; target passages only,shared-page exclusions in read_bounds.](#)

02 DISCUSSION BY THE HON'BLE COURT

S. K. Das J held that refusal to implement an appellate direction denied justice and undermined the judicial hierarchy. The Tribunal's order had become final; it was not under challenge before the Judicial Commissioner, who was not sitting in appeal over it. The direction was intelligible: centres-to-factory transportation was distinct from transport from the company's own farms. The officer's substitution of the latter could not be justified as an honest response to an unclear order.

Source: [SCR 479-481; target passages only,shared-page exclusions in read_bounds.](#)

03 JUDICIAL DECISION

The officer had failed to perform a legal duty. The Court directed him to implement the Tribunal's order of 22 April 1954; it did not itself fix market value or decide that the company's claimed valuation was correct.

Source: [SCR 480-481; target passages only,shared-page exclusions in read_bounds.](#)

04 OUTCOME / IN WHOSE FAVOUR

Company's appeal allowed; Judicial Commissioner's order set aside. An order issued requiring compliance with the Tribunal's specified directions. Company awarded costs in both courts.

Source: [SCR 481-481; target passages only.shared-page exclusions in read_bounds.](#)

05 AKHB REVIEW POINT

Compare the operative appellate direction with the giving-effect order line by line. Distinguish permitted factual work from reopening a settled instruction. The relevant relief is faithful implementation, not adoption of every factual figure advanced by the successful appellant.

Source: [SCR 477-480; target passages only.shared-page exclusions in read_bounds.](#)

ORIGINATING PROCEEDINGS

1.

Case numbers: Misc. Civil Case No. 24 of 1955

Relationship: Former Judicial Commissioner's Court, Bhopal, judgment 14 February 1956; Tribunal direction 22 April 1954 was final.

SOURCE & VERIFICATIONOriginal reported Supreme Court judgment

8-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 8 physical text and image pages personally read; SCR474-481. Target boundaries: physical PDF pages 1-8; SCR 474-481. Start: after previous-case disposition and divider. End: final disposition at end of source. Previous R. S. A. C. Kasi Iyer case tail above the divider on p. 1 is excluded. The 1922 regime is a qualified inference from the historical section 66(1)/rule 23 setting, not an express Act-year citation in this target.

Open cited source rendition

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STATUTORY SCOPE

Indian Income-tax Act, 1922 regime inferred from assessment year, section 66(1) and rule 23; Act year not expressly printed in target; 66(1), Income-tax Rules, rule 23 (historical rule), Constitution of India, Articles 133 and 226

The retained Finance Act 2011 text of section 254(1) grants the Tribunal appellate order-making power; section 254(4) states finality subject to sections 256/260A. This is a structural comparison, not a current review of stay or giving-effect timelines.

Section 363(1)/(11), Finance Act 2026 text, provides Tribunal order-making power and finality subject to section 365; it does not determine cane value.

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.

Other provisions addressed: Income-tax Rules, rule 23 (historical rule); Constitution of India, Articles 133 and 226

LATER TREATMENT

Source checked 2026-10-08. No specific subsequent judicial treatment independently verified for this note.

No specific subsequent judicial treatment independently verified; the mandamus cases discussed in the target are antecedent authorities.

Antecedent authorities are not subsequent treatment.

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 of section 254(1) grants the Tribunal appellate order-making power; section 254(4) states finality subject to sections 256/260A. This is a structural comparison, not a current review of stay or giving-effect timelines. Identified 2011 version; not current consolidated law, whole-Act or image review. Text pages read: 42, 910-911.

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

Official compilation as amended by Finance Act 2026 Version lines 0-13; section 363(1)/(11), lines 18536-18583, physical pp 449-450. 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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