

Srish Chandra Sen (Deceased) and Others v. The Commissioner of Income-tax, West Bengal

Civil Appeal No. 405 of 1957 — Single Supreme Court civil appeal disposed of by the target judgment.

[1961] 2 SCR 598 | 1960-11-23

Land permanently freed from land-revenue assessment by capitalized redemption did not satisfy the land-revenue condition in the then agricultural-income definition, despite agricultural use.

1922 Act: 2(1)(a) | 1922 Act: 4(3)(viii) | 1922 Act: 34 (background reassessments)

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

01 FACTS OF THE CASE

The Calcutta conservancy land had been acquired from a permanently settled estate in 1864. The estate received a proportionate revenue abatement, and the municipal Justices paid a capitalized sum to redeem the acquired land's recurring revenue liability. An 1870 conveyance declared the land permanently free of government land revenue. Sen's predecessors later leased it and cultivated it using sewage. Agricultural income for four assessment years was brought into central income-tax. After remand and further appeals, the Tribunal held the land no longer assessed to revenue; the High Court agreed.

Source: [SCR 599-603; facts and procedural record](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court applied the then section 2(1)(a), which required agricultural use together with assessment to land revenue or the specified local rate. Agricultural use was accepted and the local-rate alternative was absent. The issue was what remained of the land-revenue obligation after redemption. The Court did not rest its conclusion merely on governmental acquisition: the subsequent redemption itself showed that a recurring demand had initially survived. The capitalized payment then extinguished that liability in perpetuity. It was not an advance payment leaving an uncanceled annual assessment. The conveyance's operative words plainly confirmed revenue-free status, so its recitals could not be used to manufacture ambiguity. In the absence of a produced legislative authorization, the Court proceeded on the historical Crown authority and record described in the judgment.

Source: [SCR 604-609; judicial reasoning; opinion boundaries preserved](#)

03 JUDICIAL DECISION

The land was as completely free from revenue assessment as land never assessed. It therefore failed the additional condition imposed by the historical agricultural-income definition. The High Court correctly upheld the Tribunal's conclusion. The Court did not disturb or redecide the separately described 1942-43 Tribunal ruling, which included a distinct reassessment-information ground.

Source: [SCR 608-609; holding and expressed limits](#)

04 OUTCOME / IN WHOSE FAVOUR

Assessee's appeal dismissed. The challenged central assessments for the four succeeding years remained effective because the receipts did not qualify under the then definition. Appeal dismissed with costs.

Source: [SCR 609-609; operative disposition and costs](#)

05 AKHB REVIEW POINT

Read the historical definition before carrying this result forward. The decision turns on a specific additional land-revenue condition, not on a finding that sewage-assisted cultivation was non-agricultural. It also distinguishes a land's initial acquisition from the later extinction of its revenue burden. Any modern comparison must inspect the exact agricultural-income limb in force; agricultural use and treatment of associated buildings cannot be collapsed into the old test.

Source: [SCR 604-609; editorial analysis based on the indicated reasoning](#)

ORIGINATING PROCEEDINGS

1.

Case numbers: I.T.R. No. 20 of 1953

Relationship: Calcutta High Court originating reference; judgment 15 May 1956

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 pages/SCR598-609, target caption/headnote and Hidayatullah J judgment through dismissal/costs. 1942-43 Tribunal outcome is background separate from four succeeding years. Read historical redemption narrative including 1865 demand/1866 payment and headnote/body shorthand.

Open cited source rendition

The judgment sometimes calls redemption a payment in 1865; the detailed narrative on p 3 gives the October 1865 demand and payment on or about 12 January 1866. The note does not silently choose a corrected chronology.

The 1942-43 Tribunal result is background; the four succeeding years form the challenged sequence.

STATUTORY SCOPE

Indian Income-tax Act, 1922; 2(1)(a), 4(3)(viii), 34 (background reassessments)

In the Finance Act 2011 definition, clauses(a) and(b) concern Indian land used for agriculture without the old general land-revenue condition; revenue/local-rate and location conditions instead appear in the associated building limb(c). This is a material textual change from the definition applied in 1960.

In the retained official 2025 Act text as amended by Finance Act 2026, section 2(5)(a),(b) likewise describes Indian agricultural land and its agricultural receipts without the old general land-revenue condition. The separately read building conditions in 2(5)(c) retain revenue/local-rate or location qualifications. Further definition exclusions were not fully checked; no current exemption conclusion is given.

The operative historical law is identified separately. Only the stated later statutory versions and passages were checked; comprehensive subsequent history and applicability to a particular later tax year remain unverified.

LATER TREATMENT

Source checked 2026-10-08. No specific later judicial treatment is adopted except where expressly stated.

No later primary application of this precise revenue-redemption holding has yet been checked. Later agricultural-income definitions require independent comparison because the judgment depends on the former definition's additional condition.

Earlier authorities discussed within the target judgment are not treated as later-use evidence.

IDENTIFIED SOURCE LINKS

[Income-tax Act,1961: Section 2\(1A\)](#)

DOR-hosted Taxmann compilation, as amended by Finance Act 2011 Only identified statutory limbs on these pages, plus version page 42. Not a current consolidated text, Gazette-original authentication, whole-Act or image review. Only the named 2011 provisions are compared. Text pages read: 43-44.

[Income-tax Act,2025,selected agricultural-income definition](#)

As amended by Finance Act 2026 Title/version andsection 1 lines 0-13; selectedsection 2(5)(a),(b) lines 22-34 and(c) conditionslines 35-49 only Exact retained passages personally read; no raw officialHTML/PDF, image or whole-Act verification claimed.

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