

Commissioner of Agricultural Income-tax v. Calvary Mount Estates (Private) Ltd.

Civil Appeal No. 145 of 1960

[1961] 3 SCR 285 | 1960-12-15

Agricultural income-tax: maintenance and upkeep expenditure for immature non-bearing rubber trees was deductible under section 5(e) of the Madras Plantations Agricultural Income-tax Act, 1955.

Madras Plantations Agricultural Income-tax Act, 1955: sections 5(e) and 54(1) | Travancore-Cochin Agricultural Income Tax Act, 1950: section 5(j), compared

3-judge bench | J. L. Kapur, J. | M. Hidayatullah, J. | J. C. Shah, J.

Assessment years: 1955-56

Short adopting judgment under a historical State Act

The Court applied Travancore Rubber & Tea after comparing the operative wording. The source does not establish a current or statute-independent rule for every immature-plantation expense.

01 FACTS OF THE CASE

Calvary Mount Estates owned 590 acres in South Malabar. Eighty-five acres carried pepper, arecanut, paddy and coconut; 505 acres carried rubber. Of the rubber area, 235 acres had immature non-bearing trees and 270 acres had mature trees. For AY 1955-56, with accounting year ending 31 March 1955, the assessee claimed expenses for maintaining and upkeeping the immature rubber. The Agricultural Income-tax Tribunal held expenditure over the whole rubber area deductible and remanded for quantification of forking and manuring costs for the immature area. The Kerala High Court upheld deductibility under section 5(e); Revenue appealed by special leave.

Source: [Estate composition, assessment year and proceedings: SCR p.286](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 5(e) allowed non-capital, non-personal expenditure laid out wholly and exclusively for the plantation. The Court compared that language with section 5(j) of the Travancore-Cochin Act, which referred to expenditure for deriving agricultural income, and considered the Madras wording at least as favourable to the assessee. It then applied its decision in Travancore Rubber & Tea Co. Ltd., which had resolved the deductibility of forking, manuring and similar expenditure on immature rubber trees under the compared provision.

Source: [Statutory comparison and adoption of controlling reasoning: SCR pp.286-287](#)

03 JUDICIAL DECISION

The Court held that Travancore Rubber & Tea governed the deduction question and dismissed Revenue's appeal. The assessee received costs in both the Supreme Court and the High Court.

Source: [Operative dismissal: SCR p.287](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee. The deduction principle was upheld, while the Tribunal's remand for determining the actual qualifying expenditure remained part of the procedural posture; the Supreme Court did not itself quantify the allowance.

Source: [Deductibility and remand context: SCR pp.286-287](#)

05 AKHB REVIEW POINT

AKHB analysis: separate eligibility from quantification. For immature-plantation claims, retain acreage maps, maturity schedules and ledgers for forking, manuring and upkeep, and segregate any capital establishment cost. When relying on a short adopting judgment, compare the operative words of the governing statute with the precedent it adopts. Independently verify later law and treatment before using this historical State-Act ruling.

Source: [AKHB analysis based on the statutory comparison and retained quantification remand](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

Full 3-page SCR source file read. The Calvary Mount judicial text begins at SCR p.286 / PDF p.2 and ends near the top of SCR p.287 / PDF p.3; editorial headnote and the succeeding Raja Bahadur Visheshwara Singh case beginning later on PDF p.3 were excluded from its ratio.

[Open cited source rendition](#)

Exact bytes, SHA-256 and 3-page count match catalogue asset 1961_3_285_287. All three pages were read and rendered; the target decision was separated from the next judgment beginning on PDF page 3.

The report verifies the 15 December 1960 date, three-judge bench and Civil Appeal No. 145 of 1960. The catalogue's retrospective 1960INSC270 identifier is not printed and is not adopted as a verified neutral citation.

The accounting year ended 31 March 1955 and the assessment related to AY 1955-56, as stated at SCR p.286.

The judicial text is unnumbered; physical PDF and SCR page references are used.

STATUTORY SCOPE

Historical Madras Plantations Agricultural Income-tax Act, 1955 decision for AY 1955-56. The Court compared its section 5(e) with section 5(j) of the Travancore-Cochin Agricultural Income Tax Act, 1950. No current statutory equivalence, later amendment or subsequent treatment is certified.

LATER TREATMENT

Source checked 2026-10-10. Comprehensive subsequent treatment, later statutory changes and current-law applicability have not been checked. No citator or current-law clearance is represented.

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