

Mahanth Ramswaroop Das v. State of Bihar

Civil Appeal No. 449 of 1958

[1961] 3 SCR 405 | 1961-01-11

Bihar agricultural income tax: court-appointed receiver was an additional machinery assessee, not a substitute that displaced the estate owner's liability.

Bihar Agricultural Income-tax Act, 1948: sections 2(m), 3, 4, 13 and 28(3)

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

Assessment years: Fasli year 1355 (16 September 1948 to 15 September 1949)

Historical Bihar agricultural-income statute

The holding concerns sections 2(m), 3 and 13 of the Bihar Agricultural Income-tax Act, 1948 and does not state a current federal income-tax or state agricultural-tax rule.

01 FACTS OF THE CASE

The appellant was Mahant of the Asthal Estate, Salauna, in Bihar. During litigation concerning the estate, a civil court receiver managed it until December 1949 and returned charge to the appellant in January 1950. The appellant filed the estate's agricultural-income return for Fasli year 1355, covering 16 September 1948 to 15 September 1949. The officer assessed agricultural income at Rs.90,507-2-6 and tax at Rs.20,290-13-0. After unsuccessful departmental appeals, the Board referred whether the appellant could legally be assessed for the estate income while it was in the receiver's hands.

Source: [Estate management, return, assessment and referred question: SCR pp.406-407 / PDF pp.2-3](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 3 charged the agricultural income of every person, while section 4 extended the Act to agricultural income derived from Bihar land. The estate income was not exempt and the owner was prima facie liable. Reading section 13 with the inclusive definition of person in section 2(m), the Court held that a receiver holding the income-producing property could be deemed an assessee and the authorities could recover from that receiver. But section 13 supplied machinery for recovery rather than a separate charging rule. Income collected by the receiver remained the appellant owner's income, so the receiver's assessability did not absolve the owner; the authorities could proceed against either within the statutory scheme. The appellant's separate contention that money received from the receiver lost its agricultural character was outside the referred question and had not been raised below.

Source: [Charging provision, section 13 machinery and owner liability: SCR pp.407-409 / PDF pp.3-5](#)

03 JUDICIAL DECISION

The Court held that the owner's agricultural-income liability was not displaced merely because a court receiver had managed the estate and collected its income. It dismissed the appeal with costs. It did not decide the un-referred argument about whether payment over by the receiver changed the income's character.

Source: [Owner liability and operative dismissal: SCR pp.408-409 / PDF pp.4-5](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the State/Revenue. The assessment against the estate owner stood; the ruling treats the receiver route as additional recovery machinery, not an exclusive substitution of taxpayer. No liability of the receiver was separately adjudicated in the operative order.

Source: [Revenue outcome and dismissal: SCR pp.408-409 / PDF pp.4-5](#)

05 AKHB REVIEW POINT

AKHB analysis: where income-producing property is under a receiver or common manager, separate three questions before advising: who owns the income, who is chargeable under the governing charging section, and whether the representative-person provision creates liability or only collection machinery. Preserve the appointment order, management period, accounts and remittance trail. Before applying this historical result, verify the current statute and ensure that each proposed argument falls within the appeal or reference question.

Source: [AKHB analysis based on the charging/machinery distinction and scope ruling](#)

SOURCE & VERIFICATION

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

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The report verifies Civil Appeal No. 449 of 1958, the 11 January 1961 decision date and the three-member bench.

The Court declined to entertain the separate character-of-receipt contention because it had not been raised before the tax authorities or included in the referred question.

STATUTORY SCOPE

This decision interprets the Bihar Agricultural Income-tax Act, 1948 for Fasli year 1355. The statute's later history, present Bihar agricultural-income regime and any current procedural analogue have not been checked.

LATER TREATMENT

Source checked 2026-10-10. Later judicial treatment and present statutory applicability have not been comprehensively checked; no current citator clearance is represented.

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