

Commissioner of Excess Profits Tax, Hyderabad v. S.R.V.G. Press Company, Kurnool

Civil Appeal No. 270 of 1960

[1962] 1 SCR 232 | 1961-03-10

Historical excess-profits tax: deductibility of sales tax paid under a provisional-assessment method.

Excess Profits Tax Act, 1940: Schedule I, rule 12 | Madras General Sales Tax Act, 1939: sections 10 and 15

2-judge bench; unanimous judgment delivered by J. C. Shah, J. | J. L. Kapur, J. | J. C. Shah, J.

Assessment years: Chargeable accounting period ending 4 November 1945

Historical statutory setting

The ruling applies the repealed Excess Profits Tax Act, 1940 and historical Madras sales-tax machinery; it is not current-law clearance.

Fact and procedural limits

Apply the holding only within the facts, statutory text and procedural posture described in the primary report.

No current-law clearance

Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

01 FACTS OF THE CASE

The oil-and-cake manufacturer consistently paid sales tax on provisional assessment based on the prior year, with later adjustment. Although that method had been accepted for income tax and earlier excess-profits-tax periods, the officer disallowed part of the payment for the chargeable period as unnecessary (SCR pp.232-235; PDF pp.1-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Rule 12 required a commercial-expediency judgment, not a hindsight or purely legalistic test. The assessment created an enforceable payment obligation backed by recovery and penalty provisions. The business was not required to litigate the validity of the provisional method before treating the payment as necessary; later retrospective validation reinforced the conclusion (SCR pp.235-238; PDF pp.4-7).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The High Court's negative answer was upheld and Revenue's appeal was dismissed with costs (SCR p.238; PDF p.7).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee: the full sales tax actually paid under provisional assessment was deductible for the historical excess-profits-tax computation (SCR pp.237-238; PDF pp.6-7).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: judge necessity at the time of payment and through commercial practice. A compulsory tax payment does not become unreasonable merely because the assessment method is later challenged, but current deduction and accrual rules require separate verification (based on SCR pp.236-238; PDF pp.5-7).

Source: [Primary judgment: review point](#)

SOURCE & VERIFICATION

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Full 7-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

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Exact source bytes, SHA-256 and seven-page count match catalogue asset 1962_1_232_238; every page was read and visually inspected.

The source verifies the stated case identity, bench, statutory issue and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment match was found in the published corpus or reviewed archive.

STATUTORY SCOPE

The ruling applies the repealed Excess Profits Tax Act, 1940 and historical Madras sales-tax machinery; it is not current-law clearance.

LATER TREATMENT

Source checked 2026-10-11. Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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