

Rajah S. V. Jagannath Rao v. Commissioner of Income-tax, Hyderabad

Civil Appeals Nos. 1661-68 of 1959 (as printed in the SCR report)

[1962] 2 SCR 848 | 1961-07-17

Hyderabad jagir taxation: validity upheld, with partial deduction for expenditure connected with estate administration.

Hyderabad Income-tax Act, 1357 Fasli: sections 2(4) and 14(5)(a)-(c) | Hyderabad Legislative Assembly Ain: section 18(8)-(9)

3-judge bench; unanimous judgment delivered by M. Hidayatullah, J. | S. K. Das, J. | M. Hidayatullah, J. | J. C. Shah, J.

Assessment years: 1357 Fasli (1948-49), 1358 Fasli (1949-50)

Historical statutory setting

Historical Hyderabad sovereign-legislative setting and the 1357 Fasli Act; not current constitutional or general deduction guidance.

Source and scope caution

The catalogue lists only Civil Appeal No.1661 of 1959; the SCR heading prints Civil Appeals Nos.1661-68 of 1959, retained without conjectural correction.

Additional scope caution

Relief was partial: Rs.26,057 was quantified only for 1358 Fasli, and the qualifying 1357 Fasli amount remained to be determined.

Additional scope caution

The text records three leave petitions and dates 17 December 1956 and 9 April 1957; OCR incorrectly reads the first year as 1966. The scan was checked.

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 Jagirdar of Jatprole challenged the Hyderabad income-tax law, its taxation of 1356 Fasli income, and rejection of estate-expense claims of Rs.14,390 and Rs.38,079 for assessment years 1357 and 1358 Fasli. The High Court had answered all three questions against him (SCR pp.849-851, 854-855; PDF pp.2-4, 7-8).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The Nizam's assent gave the historical enactment binding force; the Ain was not a superior constitution limiting his then sovereignty. The prior-year-income issue was covered by earlier decisions and was not pressed. Under section 14(5)(a), occasional administrative use of estate equipment could establish the required connection; a sanad compelling the expense was unnecessary. Drummers, elephants, stables and bodyguards qualified, but domestic servants, festivals, jattras, charities and subscriptions did not (SCR pp.851-858; PDF pp.4-11).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

Appeals were allowed in part. The third answer was replaced to allow Rs.26,057 for 1358 Fasli and the qualifying amount to be determined from the Rs.14,390 claim for 1357 Fasli. The first two answers stood; each party bore its own Supreme Court costs (SCR p.858; PDF p.11).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

Partial success for the assessee on specified administration expenses; Revenue succeeded on validity and assessment of the earlier accounting-year income (SCR pp.851, 854, 858; PDF pp.4, 7, 11).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: separate each expense item, the statutory nexus and its personal component. A mixed claim cannot be treated as wholly deductible merely because some equipment serves administration. The ruling applies the historical Hyderabad provision and supplies no present-law clearance for similar spending.

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

SOURCE & VERIFICATION

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

Full 11-page SCR asset read in page-preserving text and visually inspected; docket and leave-date lines additionally inspected at 150 dpi. Exact catalogue SHA-256 and 11 pages verified; no same-judgment publication, source-hash, citation or docket match found.

[Open cited source rendition](#)

Catalogue source 1962_2_848_858: SHA-256
864a705faab9cf9f5df5225d158fc114f58c0c9a81a4657b74b36a7d0d4a25a7, 11 pages, read and visually inspected in full.

The published original preserves the exact catalogue bytes and verified hash.

The source verifies identity, bench, provisions, opinion structure and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment publication match was found.

STATUTORY SCOPE

Historical Hyderabad sovereign-legislative setting and the 1357 Fasli Act; not current constitutional or general deduction guidance.

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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General legal and tax research only; not legal or tax advice. Verify the original judgment, the governing historical statute and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.