

Indore Malwa United Mills Ltd. v. Commissioner of Income-tax (Central), Bombay

Civil Appeals Nos. 149 and 150 of 1961

[1962] Supp. 3 SCR 310 | 1962-02-19

Historical loss carry-forward: a later change in territory and residence did not revive loss excluded in its year of origin.

Indian Income-tax Act, 1922: sections 4(1)(a), 4(1)(c), 4A, 6, 14(2)(c), 24(1), 24(2), 66(1) and 66A(2)

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

Assessment years: 1950-51, 1951-52

Historical statutory setting

Pre-integration territory, Part B State and 1922 Act rules are historical and do not state current loss carry-forward law.

Source and scope caution

The catalogue lists only Civil Appeal No.149 of 1961; the judgment states Civil Appeals Nos.149 and 150 of 1961.

Additional scope caution

The unabsorbed-depreciation question answered below for the assessee was expressly outside this appeal.

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 Indore textile company was treated as non-resident through assessment year 1949-50, so only British-India receipts and accruals entered its assessments. After integration it became resident and claimed the entire Rs.5,19,590 loss from 1948-49 against later income (SCR pp.312-317; PDF pp.3-8).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 24 was read with the charging and territorial provisions. Only loss within the taxable computation in the year it arose could be set off and carried forward. Later territorial integration and residence could not convert the previously excluded outside-territory portion into an eligible loss (SCR pp.317-323; PDF pp.8-14).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

Both appeals were dismissed with costs and one hearing fee; the full historic loss could not be set off in the later years (SCR p.323; PDF p.14).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue on the section 24 loss claim. The separate unabsorbed-depreciation question was not before the Court (SCR pp.312, 323; PDF pp.3, 14).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: preserve the loss-year residence, source and receipt geography, and the amount actually recognized in that year before testing later set-off. A later status or territory change does not itself alter historic eligibility.

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

SOURCE & VERIFICATION

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

Full 14-page SCR asset read and visually inspected; the preceding report fragment on physical p.1 was excluded.

[Open cited source rendition](#)

Catalogue source S_1962_3_310_323: SHA-256

48cdc520c0a5c71bff27ca18ba08eec34ea34678f68327b86b8467ddf267e4dd, 14 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

Pre-integration territory, Part B State and 1922 Act rules are historical and do not state current loss carry-forward law.

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.