

The Petlad Turkey Red Dye Works Co. Ltd., Petlad v. Commissioner of Income-tax, Bombay, Ahmedabad

Civil Appeals Nos. 158 and 159 of 1962

[1963] Supp. 1 SCR 871 | 1962-11-02

Limits on a High Court calling for a supplemental statement and fresh evidence in an income-tax reference

Indian Income-tax Act, 1922: sections 66 and 66A(2)

Five-judge bench; judgment delivered by J. L. Kapur, J. | S. K. Das, J. | J. L. Kapur, J. | A. K. Sarkar, J. | M. Hidayatullah, J. | Raghubar Dayal, J.

Historical ruling; verify current law

This is a procedural remand under the repealed 1922 Act. It did not decide whether the disputed sale profits were received in British India and does not itself determine present reference powers.

01 FACTS OF THE CASE

The non-resident dyeing company received cheques, drafts and hundis at Petlad for British India sales and sent them to creditors or bankers in British India. The Tribunal held the receipts taxable. On reference, the High Court required a supplemental statement after further evidence about whether the post office acted as agent, then answered against the assessee.

Source: [Primary judgment: facts and procedural setting](#)

02 DISCUSSION BY THE HON'BLE COURT

The High Court's request for a supplemental statement was interlocutory, not a judgment or final order under sections 66(5) or 66A(2), so no earlier appeal was required. Its advisory jurisdiction remained confined to the question arising from the Tribunal's order. It could seek additions or alterations based on the existing record, but could not open the door to fresh evidence.

Source: [Primary judgment: reasoning](#)

03 JUDICIAL DECISION

The direction to take additional evidence exceeded section 66 jurisdiction; the reference had to be decided on a proper statement limited to facts already on record.

Source: [Primary judgment: holdings](#)

04 OUTCOME / IN WHOSE FAVOUR

Both appeals allowed; matter remitted to the High Court for decision under section 66(5). The Court expressed no opinion whether a record-bound supplemental statement should be sought. Costs awarded to the assessee in both courts.

Source: [Primary judgment: operative disposition](#)

05 AKHB REVIEW POINT

AKHB analysis: separate correction or clarification of the reference record from fact-finding that changes it. A remand for procedural jurisdiction is not a merits victory on chargeability; preserve both the record boundary and the unresolved tax question.

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

SOURCE & VERIFICATION

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

Complete 14-page SCR report read in page-preserving text and every page image inspected, from the reported opening page through the operative disposition.

[Open cited source rendition](#)

Exact catalogue SHA-256 and 14-page count verified; every page was read and visually inspected.

STATUTORY SCOPE

Historical statutory provisions are described as they appeared in the report. Verify the current enactment, amendments and later judicial treatment before reliance.

LATER TREATMENT

Source checked 2026-10-12. No comprehensive later-treatment or present-law clearance is represented. The note reports the historical statutory text and result in this primary report only.

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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