

Hoogly Trust (Private) Ltd. v. Commissioner of Income-tax, West Bengal and Andaman and Nicobar Islands

Civil Appeals Nos. 1659 to 1661 of 1968

[1969] 3 SCR 557 | 1969-02-04

Historical carry-forward of business losses and the reference jurisdiction: unchallenged Tribunal findings of fact could not be displaced by the High Court, and common management, organisation, administration, funds and place of business supported treating cloth and general trading as the same business under former section 24(2).

Indian Income-tax Act, 1922: sections 6, 10, 24(1), 24(2) (before and after the Finance Act, 1955 amendment) and 66

3-judge bench; unanimous judgment delivered by A. N. Grover, J. | J. C. Shah, J. | V. Ramaswami, J. | A. N. Grover, J.

Assessment years: 1955-56, 1956-57, 1957-58

Factual findings were procedurally final

The High Court could not prefer the Appellate Assistant Commissioner's facts because no properly referred question challenged the Tribunal's findings. The merits analysis therefore proceeded on those findings.

Same-business inquiry is mixed

Interconnection, interlacing, interdependence and unity are assessed through the whole factual pattern; common accounts or the ability to close one activity is not alone decisive.

Pre-1955 section 24(2)

Counsel and the Court treated the matter under section 24(2) before its 1955 substitution. The note does not import the result into the amended provision or a later Act.

Report title spelling preserved

The signed SCR report and catalogue use 'Hoogly Trust (Private) Ltd.' The note preserves that report identity rather than silently changing it to a modern geographic spelling.

01 FACTS OF THE CASE

Hoogly Trust traded in shares, securities and several commodities. For 1953-54 and 1954-55 it had determined losses of Rs.2,13,898 and Rs.46,050, largely from cloth. The Income-tax Officer refused to carry those losses into assessment years 1955-56 to 1957-58 because cloth dealings had ceased and, in his view, were a separate business; the Appellate Assistant Commissioner agreed. The Tribunal found that cloth dealings began in 1946, government control merely changed their procedure, the company traded sequentially or concurrently in several commodities, the cloth activity never became a distinct business, and it dovetailed into the general section through common staff, expenses, management and financial interrelation. It therefore treated the activities as one business. The High Court relied on the first appellate findings instead and answered the reference against the assessee (SCR pp.558-561; PDF pp.2-5).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

A challenge that the Tribunal ignored essential evidence or misdirected itself could raise a legal question, but a proper question attacking those factual findings first had to be referred. None was sought, so the High Court could not prefer the Appellate Assistant Commissioner's facts or reach an independent factual conclusion. The Tribunal's four findings therefore governed (SCR p.563; PDF p.7). Whether ventures form the same business under former section 24(2) is a mixed question. The fair test asks whether interconnection, interlacing, interdependence and unity arise from common management, business organisation, administration, funds and place of business. The possibility of closing one activity without affecting another is not decisive. Applying those principles to the Tribunal's accepted findings, cloth and general trading were one business (SCR pp.562-564; PDF pp.6-8).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court held that the Tribunal's factual findings had to be accepted and supported the conclusion that the cloth and general sections constituted the same business under former section 24(2). It discharged the High Court's answer, answered the referred question affirmatively for the assessee, and allowed all three appeals with costs and one hearing fee (SCR p.564; PDF p.8).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Hoogly Trust/the assessee. The historical cloth losses were eligible for the claimed same-business treatment on the governing findings and provision (SCR pp.563-564; PDF pp.7-8).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: a same-business loss claim should preserve two separate tracks: first, the procedural finality and precise challenge to fact-finding; second, the substantive evidence of operational unity across activities. Map management, organisation, administration, staff, funds, premises, accounting and commercial interdependence as a whole, and identify the exact loss-set-off text for the relevant year before applying any historical test (based on SCR pp.562-564; PDF pp.6-8).

Source: [Primary judgment: reviewPoint](#)

SOURCE & VERIFICATION

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

Full 8-page SCR report read and checked. The editorial headnote and adjacent-report boundary text were distinguished from the judicial opinion and operative order.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 8-page count match catalogue asset 1969_3_557_564; every page was reviewed.

The source verifies Civil Appeals Nos. 1659 to 1661 of 1968, the stated bench, issues, reasoning and operative result.

No published or archived standalone AKHB note with this source hash, case identity and operative decision was found.

STATUTORY SCOPE

The decision applies section 24(2) of the repealed Indian Income-tax Act, 1922 as it stood before the Finance Act, 1955 amendment. The test and result are inseparable from that text, the reference procedure and the Tribunal's unchallenged findings. No current carry-forward/set-off equivalence or later-treatment clearance is claimed.

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.

PROFESSIONAL DISCLAIMER

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.