

Juggilal Kamlapat, Kanpur v. Commissioner of Income-tax, Lucknow

Civil Appeal No. 1953 of 1968

[1970] 1 SCR 720 | 1969-07-31

Historical business income: whether profits from rapid share purchases and sales were capital gains or revenue from trading adventures.

Indian Income-tax Act, 1922: characterization of share-sale profits

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

Assessment years: 1946-47

Mixed question of law and fact

The legal conclusion depended on detailed Tribunal findings about intent, finance, timing and sales.

Managing-agency explanation rejected

The Court distinguished a genuine acquisition of a capital managing agency from the facts proved here.

Historical tax classification

No current securities or capital-gains classification is represented.

01 FACTS OF THE CASE

The assessee firm bought large blocks of Raymond, Aluminium and J.K. Trust securities, largely with borrowed funds, and sold them soon after at aggregate profit. It claimed capital investment connected with managing agency or support of allied companies. The authorities found sales to outsiders and associates at profit, brokered transactions, rapid turnover and revenue treatment of borrowing cost (SCR pp.720-723; PDF pp.1-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Whether conduct is an adventure in the nature of trade is a mixed question. Here the ruling-price purchases with borrowed money, almost immediate profitable sales in small lots, sales through brokers and unsupported capital-purpose narrative showed a planned commercial scheme. Ramnarain Sons was distinguishable because its fact-finder accepted a real managing-agency acquisition and only a small portion was sold at loss (SCR pp.723-725; PDF pp.4-6).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court upheld treatment of the aggregate Rs.3,99,587 profit as revenue income and dismissed the assessee's appeal with costs (SCR p.725; PDF p.6).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue: all three transaction groups bore the character of commercial trades, not capital investments (SCR pp.724-725; PDF pp.5-6).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: build classification from contemporaneous conduct—funding, holding period, sales pattern, counterparties, accounting and credible purpose—rather than a post hoc investment label. Treat the result as fact-bound and re-check the current statute (based on SCR pp.723-725; PDF pp.4-6).

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

SOURCE & VERIFICATION

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

Full 6-page SCR source asset read in page-preserving text and visually inspected.

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Exact source bytes, SHA-256 and six-page count match catalogue asset 1970_1_720_725; every page was read and visually inspected.

The source verifies the stated appeal, bench, factual findings and dismissal.

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

STATUTORY SCOPE

The fact-intensive characterization arose under the repealed 1922 Act; it does not decide current capital-gains, business-income or investment-classification rules.

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.

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