

Commissioner of Income-tax, Madhya Pradesh v. M/s. Binodiram Balchand, Indore

Civil Appeal No. 27 of 1969

[1970] 3 SCR 328 | 1969-12-16

Previous year and concessional rates on dividend income under the Part B States Taxation Concessions Order

Income-tax Act, 1922: sections 2(11)(i)(a), 16(2) and 66(1) | Part B States (Taxation Concessions) Order, 1950: paragraphs 3(v), 4, 6 and 12

Two-judge bench; judgment delivered by K. S. Hegde, J. | J. C. Shah, J. | K. S. Hegde, J.

Assessment years: 1950-51

Transitional historical regime

The Part B States concession formula and related super-tax no longer describe the present income-tax system.

01 FACTS OF THE CASE

A Hindu undivided family resident in Madhya Bharat received managing-agency income and dividends from Binod Mills. For assessment year 1950-51, the dispute concerned its chosen previous year and the income-tax and super-tax rates applicable to dividend income attributable partly to Part A and partly to Part B State profits (SCR pp.328-331; PDF pp.1-4).

Source: [Primary judgment: facts and questions](#)

02 DISCUSSION BY THE HON'BLE COURT

A companion decision established the assessee's right to use the financial year. Because the assessee was a Part B State resident and the income was dividend income from a company registered where no state income-tax law operated, paragraphs 3(v), 4, 6 and 12 of the Concessions Order required the scheduled concessional formula (SCR pp.330-333; PDF pp.3-6).

Source: [Primary judgment: concessional-rate reasoning](#)

03 JUDICIAL DECISION

The Court upheld the High Court: income-tax on the relevant grossed dividend component and super-tax on the entire dividend income were chargeable at the concessional rates. Revenue's appeal was dismissed with costs.

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee under the historical transitional regime.

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: preserve the Court's sequence - residence, territorial source, character of income and the exact transitional formula. The case is useful for historical reconciliation but must not be cited as a current concession or rate authority.

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

SOURCE & VERIFICATION

Supreme Court Reports scan - public eSCR mirror

Complete six-page SCR report read in page-preserving text and every page image inspected.

Open cited source rendition

Exact catalogue hash and six-page count verified; every page was read and inspected.

The report verifies assessment year 1950-51, the HUF facts and dismissal with costs.

STATUTORY SCOPE

The case concerns transitional Part B State concessions and the repealed 1922 Act; it has historical, not current, application.

LATER TREATMENT

Source checked 2026-10-12. No present-law application or comprehensive later-treatment review 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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