S. N. Namasivayam Chettiar v. Commissioner of Income-tax, Madras

Civil Appeals Nos. 218–223 of 1955
[1960] 2 SCR 885 | 1960-02-03

Historical interpretation: Indian Income-tax Act, 1922: section 13 proviso; section 66

Indian Income-tax Act, 1922: section 13 proviso; section 66 | Excess Profits Tax Act

2-judge bench | J. L. Kapur | M. Hidayatullah

Historical statutory scope and source qualifications

Historical section 13; current treatment not checked. The source includes neighbouring labour and rent-control fragments.

01 FACTS OF THE CASE

The resident assessee traded in grains and animal feed in Colombo. Tax authorities rejected accounts showing low profits because purchase vouchers, quantitative stock and manufacturing records were missing and several financial entries remained unexplained. The Tribunal accepted the returned turnover but estimated trading profit rates.
Source: Primary report: SCR 887–891

02 DISCUSSION BY THE HON'BLE COURT

A regularly used accounting method does not preclude section 13 where correct profits cannot be deduced. Missing stock records were considered with multiple other defects, not as an automatic standalone ground. Other traders' profit rates were ancillary corroboration, not the basis of the estimate, distinguishing Dhakeshwari.
Source: Primary report: SCR 890–895

03 JUDICIAL DECISION

The Tribunal's rejection of accounts and estimation disclosed no error warranting Article 136 intervention. The related excess-profits-tax appeals followed the income-tax result.
Source: Primary report: SCR 895–896

04 OUTCOME / IN WHOSE FAVOUR

All six assessee appeals were dismissed with one consolidated set of costs.
Source: Primary report: SCR 896

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05 AKHB REVIEW POINT

Record the specific defects preventing reliable computation and the actual basis of an estimate. Do not read the judgment as dispensing with disclosure of adverse material or as authorising rejection solely because a stock register is absent.

Source: Primary report: SCR 892–895

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 12-page Supreme Court Reports scan. Any adjoining report fragments remain in the unchanged original and are excluded from this analysis.

Open cited source rendition

STATUTORY SCOPE

Historical legislation expressly identified in this note. This is not a decision under the Income-tax Act, 1961 or the Income-tax Act, 2025. Verify enacted wording, commencement, transition and subsequent judicial treatment independently before modern reliance.

LATER TREATMENT

Source checked 2026-10-23. Subsequent treatment and present-law applicability have not been comprehensively checked.

AI DISCLOSURE

This AKHB research note uses AI assistance and a preserved full-primary review, with refreshed exact original-byte verification. Independent human review is not represented.

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