

R. S. A. C. Kasi Iyer v. The Commissioner of Income-tax, Mysore, Travancore-Cochin and Coorg, Bangalore

Civil Appeal No. 304 of 1956

[1961] 1 SCR 466 | 1960-09-01

Post-merger reassessment of concealed income: the Central Government could act on the Travancore Investigation Commission report and direct a time-bar-free effective assessment.

Travancore Taxation on Income (Investigation Commission) Act, 1124 M.E.: sections 5 and 8(1)-(6) | Travancore Income-tax Regulation VIII of 1096 M.E.: sections 25, 42 and 113 | Opium and Revenue Laws (Extension of Application) Act, 1950 (Act 33 of 1950): sections 2, 3 and 3(c)

5-judge bench; unanimous judgment delivered by J. C. Shah, J. | S. K. Das, J. | M. Hidayatullah, J. | K. C. Das Gupta, J. | J. C. Shah, J. | N. Rajagopala Ayyangar, J.

Assessment years: 1118 M.E. (17 August 1942 to 16 August 1943)

Historical statutory setting

Historical Travancore investigation and income-tax regime after State merger; the ruling does not certify any present reassessment, limitation or evidentiary procedure.

Source and scope caution

The following Bhopal Sugar Industries Ltd. report begins on physical PDF p. 9 below Kasi Iyer's final disposition and is not part of this judgment.

Additional scope caution

The first reference question on evidentiary sufficiency was not contested in the Supreme Court; the substantive appellate reasoning concerns the authority and validity of assessment or reassessment.

Additional scope caution

The source uses Malayalam Era statute and accounting dates. Regulation VIII is of 1096 M.E.; an OCR rendering of '1960' in the quoted provision is not used.

Additional scope caution

The historical Commission finding was final by the specific section 8(4) scheme; no present-law evidentiary or reassessment finality is inferred.

No current-law clearance

Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

01 FACTS OF THE CASE

The assessee firm returned net income of Rs. 4,78,594-5-0 for 1118 M.E. The Travancore Investigation Commission later found concealed profit of Rs. 1,31,750 and computed total tax on true income at Rs. 1,35,736-8-0, subject to credit. A 1950 direction to recover tax produced a Rs. 13,337-13-0 demand without a fresh assessment. After the 1950 extension statute, the Government of India directed assessment or reassessment; the first demand was withdrawn, and the Income-tax Officer made a fresh order on 29 March 1952. The High Court answered the evidence and validity questions for Revenue (SCR pp. 466-471; PDF pp. 1-6).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 3(c) transferred the Travancore-Cochin Government's non-agricultural-income role to the Central Government and covered a report made by the former State Commission. Because tax liability required an effective assessment, the 1951 Central direction did not conflict with the earlier recovery direction; it effectuated or rectified it. Section 8(2) did not limit action to one occasion, removed the section 25 time bar, and permitted reassessment despite the previous order, while section 8(4) made the Commission's findings final in assessment proceedings. The evidentiary answer was not challenged before the Supreme Court (SCR pp. 471-474; PDF pp. 6-9).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The appeal was dismissed with costs. The Court upheld all three affirmative reference answers, including the Central Government's direction and the Income-tax Officer's reassessment order; the first answer on evidence was left undisturbed because counsel did not challenge it (SCR pp. 471-474; PDF pp. 6-9).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue on the validity of the post-merger direction and reassessment. The decision did not independently reconsider the sufficiency of evidence for the concealed-profit finding in the Supreme Court (SCR pp. 471-474; PDF pp. 6-9).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: separate an investigation finding, a recovery direction, a demand and an effective assessment; a defective demand does not necessarily exhaust a statutory power to direct lawful assessment. For historical or successor-jurisdiction cases, map which authority inherited each statutory function and whether the exact limitation override and finality provisions applied. The result is confined to this superseded Travancore scheme.

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

SOURCE & VERIFICATION

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

Exact 9-page catalogue PDF (SHA-256 1f886af2c004fe833420097602ee952225cfadafb6d74e94f1f6c2d7bcbaec89) read in full through page-preserving text and rendered page images. The target report spans SCR 466-474 and ends near the top of physical PDF p. 9; the Bhopal Sugar Industries headnote that begins below it on that page was excluded. Signed-report title, decision date, five-judge bench, opinion author and Civil Appeal No. 304 of 1956 were verified. No same-party, docket, citation, source-hash or standalone judgment match was found; the published Bhopal Sugar note contains only the adjacent Kasi Iyer tail because its retained source starts on SCR 474.

[Open cited source rendition](#)

Catalogue source 1961_1_466_474: SHA-256 1f886af2c004fe833420097602ee952225cfadafb6d74e94f1f6c2d7bcbaec89, 9 pages, read and visually inspected in full.

The published original preserves the exact catalogue bytes and verified hash.

The source verifies identity, bench, provisions, opinion structure and operative order.

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

STATUTORY SCOPE

Historical Travancore investigation and income-tax regime after State merger; the ruling does not certify any present reassessment, limitation or evidentiary procedure.

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.

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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.