

Commissioner of Income-tax, U.P., Lucknow v. Kanpur Coal Syndicate

Civil Appeal No. 673 of 1963

[1964] 8 SCR 85 | 1964-04-30

Appellate assessment powers: the appellate authorities could set aside an association's assessment and direct assessment of its members under the historical alternative assessment scheme.

Indian Income-tax Act, 1922: sections 3, 14(2)(b), 30, 31 and 33

3-judge bench | K. Subba Rao, J. | J. C. Shah, J. | S. M. Sikri, J.

Assessment years: 1948-49

Jurisdiction ruling

The decision establishes the appellate authorities' competence; it does not create a taxpayer's unrestricted right to choose the assessed entity.

Historical AOP regime

The 1922 Act's association/member alternative must be distinguished from later statutory schemes.

01 FACTS OF THE CASE

The assessee was an association formed to purchase coal and supply domestic customers and small industries. For assessment year 1948-49, it requested assessment of members on their respective shares instead of assessment of the association. The officer and Appellate Assistant Commissioner rejected the request. The Tribunal recognised the officer's alternative power but considered itself unable to direct its exercise; the Allahabad High Court held otherwise on reference (SCR pp.86-88; PDF pp.2-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court read section 3 as recognising the association and individual members as separate alternative assessable entities. An objection to association-level assessment was a denial of liability in the relevant circumstances and therefore appealable under section 30. Under section 31, the Appellate Assistant Commissioner's assessment powers were plenary and coterminous with those of the officer; section 33 likewise gave the Tribunal ample power to set aside the assessment and issue consequential directions concerning members (SCR pp.88-92; PDF pp.4-8).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court upheld the High Court's answer: the Tribunal had jurisdiction to direct cancellation of the association's assessment and appropriate fresh assessments on individual members. Revenue's appeal was dismissed with costs (SCR pp.92-93; PDF pp.8-9).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee/respondent on the scope of appellate jurisdiction. The decision affirmed the power to give the requested kind of direction, rather than itself quantifying members' liabilities (SCR pp.92-93; PDF pp.8-9).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: identify the actual statutory power being challenged and frame an appeal ground that connects the disputed assessment treatment with the appellate authority's corrective powers. Keep the broad principle on appellate assessment powers separate from the historical entity-choice provision on which this case arose (based on SCR pp.90-93; PDF pp.6-9).

Source: [Primary judgment: reviewPoint](#)

SOURCE & VERIFICATION

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

Full 9-page SCR report read and checked. The editorial headnote was distinguished from the judgment text and operative order.

[Open cited source rendition](#)

The source report contains 9 pages. Reporter headnotes and adjacent-case text are distinguished from the target judgment and operative order.

The primary source identifies Civil Appeal No. 673 of 1963, the stated bench, issues, reasoning and operative result.

STATUTORY SCOPE

The alternative choice between taxing an association of persons and its members arose under section 3 of the 1922 Act. It must not be assumed to remain an elective regime under present law; current appellate powers and entity-assessment provisions require independent review.

LATER TREATMENT

Source checked 2026-10-10. Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

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