

Sir Hukumchand & Mannalal Co. v. Commissioner of Income-tax, Madhya Pradesh

Civil Appeal No. 223 of 1965

[1966] 3 SCR 193 | 1966-01-04

Whether an Income-tax Officer's Rule 6B cancellation of a renewed firm-registration certificate was appealable as a refusal to register under section 30(1) of the Indian Income-tax Act, 1922.

Indian Income-tax Act, 1922: sections 23(4), 26A and 30(1) | Indian Income-tax Rules, 1922: Rules 6, 6A and 6B

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

Assessment years: 1953-54

Historical registration appeal

The result turns on section 26A, section 30(1) and the structure of Rules 6A-6B under the 1922 Act. It should not be transferred automatically to a modern registration or cancellation provision.

Cancellation treated as refusal in this scheme

The Court treated cancellation of a renewed certificate as refusal of the renewal application because the Rules provided all three possible orders within that application; it did not announce that every cancellation is necessarily a refusal.

Merits not determined

The appealability question was decided; whether the firm was genuine and whether registration should ultimately stand were not adjudicated.

01 FACTS OF THE CASE

The appellant firm, constituted by a partnership deed dated 16 July 1948, was registered under section 26A for AY 1950-51 and received renewals for AYs 1951-52 and 1952-53. On 30 November 1957 the Income-tax Officer renewed registration for AY 1953-54, but on 6 March 1959 cancelled that renewal under Rule 6B on the ground that the firm was not genuine. The Appellate Assistant Commissioner rejected the firm's appeal as not maintainable; the Tribunal and Madhya Pradesh High Court agreed. The Supreme Court appeal concerned only whether that cancellation order was appealable under section 30(1).

Source: [SCR pp. 194-195 / PDF pp. 2-3](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 26A left the manner of dealing with a registration application to the prescribed Rules. Under Rules 6A and 6B, the officer could refuse renewal, grant renewal, or cancel a renewal obtained without a genuine firm in existence. The Court considered all three orders to arise within the renewal application because the Rules did not create an independent cancellation proceeding. A Rule 6B cancellation therefore set aside the earlier grant and, in effect, refused renewal. The Revenue relied on section 30 separately naming refusal and cancellation under section 23(4), while mentioning only refusal under section 26A. The Court rejected that contrast: section 23(4) itself used the two forms, whereas section 26A left the form of orders to the Rules. In that context, 'refusal to register a firm' was broad enough to include refusal to renew and cancellation of a renewed certificate. The conclusion followed from the statutory text and scheme, not an equitable exception.

Source: [SCR pp. 195-197 / PDF pp. 3-5](#)

03 JUDICIAL DECISION

The Supreme Court held that a Rule 6B order cancelling the renewed registration certificate was appealable to the Appellate Assistant Commissioner under section 30(1). It answered the referred question affirmatively, set aside the High Court's order and allowed the firm's appeal with costs.

Source: [SCR p. 197 / PDF p. 5](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee firm on maintainability of the statutory appeal. The judgment restored access to the appellate route; it did not decide the factual genuineness of the firm or finally grant registration for AY 1953-54.

Source: [SCR pp. 196-197 / PDF pp. 4-5](#)

05 AKHB REVIEW POINT

AKHB analysis: identify the source of the impugned power and read the appeal provision together with the rules defining the available orders. A label such as cancellation may fall within a broader appealable category when the delegated scheme treats it as reversal of a grant made on the same application. Preserve the distinction between appellate maintainability and the underlying merits. For present disputes, verify the currently applicable statute, rules and appeal language rather than importing this 1922 Act construction.

Source: [AKHB analysis based on SCR pp. 195-197 / PDF pp. 3-5](#)

SOURCE & VERIFICATION

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

Full 5-page SCR report read; the editorial headnote on PDF page 1 was separated from the judicial opinion beginning on PDF page 2/SCR 194 and ending on PDF page 5/SCR 197.

[Open cited source rendition](#)

All five source pages were read; exact PDF bytes, SHA-256 hash and page count match catalogue asset 1966_3_193_197.

The report verifies Civil Appeal No. 223 of 1965, the three-judge bench and the opinion by K. Subba Rao J.

The source records registration for AY 1950-51, renewals for AYs 1951-52 and 1952-53, and the disputed renewal/cancellation for AY 1953-54.

STATUTORY SCOPE

This decision construes the appellate route for registration and renewal orders under the Indian Income-tax Act, 1922 and Rules 6A-6B. It does not establish the appealability of a present-day registration order under later legislation; current procedure requires independent verification.

LATER TREATMENT

Source checked 2026-10-10. Comprehensive later treatment and current statutory equivalence have not been verified; no current-law or citator clearance is represented.

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