

Commissioner of Income-tax, Kerala v. M/s. Manick Sons

Civil Appeal No. 2459 of 1966

[1969] 3 SCR 708 | 1969-02-14

Historical limits on the Income-tax Appellate Tribunal's section 33(4) jurisdiction: an appeal for one assessment year did not permit amalgamating income across two years, apportioning a round figure equally, directing reassessment of the earlier year through an undertaking, or granting unsupported credit for intangible additions.

Indian Income-tax Act, 1922: sections 33(4), 34 and 66

3-judge bench; unanimous judgment delivered by J. C. Shah, J. | J. C. Shah, J. | V. Ramaswami, J. | A. N. Grover, J.

Assessment years: 1952-53, 1953-54

Appeal confined to one assessment year

The Tribunal could consider whether 1953-54 cash credits represented capital or earlier-year income, but could not reopen or direct reassessment for 1952-53 within that appeal except through a procedure authorised by the Act.

Undertaking supplied no jurisdiction

Recording the assessee's undertaking to file a voluntary 1952-53 return did not validate the implied reassessment direction or displace the statutory reopening machinery.

No unsupported intangible-addition credit

The Tribunal had found the cash credits unexplained yet reduced them by Rs.21,000 without reasons or evidence connecting that amount to the additions in the two years; the Supreme Court rejected that treatment.

Historical statutory setting

The holding is tied to section 33(4) and the 1922 Act scheme. It should not be represented as a current rule under later appellate, reassessment or return-filing provisions without separate verification.

01 FACTS OF THE CASE

For assessment year 1952-53, M/s. Manick Sons was assessed as a registered firm on income of Rs.15,331, including Rs.15,000 as undisclosed income. For 1953-54 it returned business income of Rs.40,887. The Income-tax Officer treated Rs.74,692 of cash credits as unexplained, assessed total income of Rs.1,31,179 and treated the firm as unregistered; the Appellate Assistant Commissioner reduced business income to Rs.38,420 and the unexplained credits to Rs.46,620. The Tribunal reduced business income to Rs.28,820 and agreed that Rs.46,620 remained unexplained, but then combined the two years, allowed Rs.21,000 for 'intangible additions,' rounded the resulting two-year figure to Rs.1,00,000, divided it equally, and recorded an undertaking that the assessee would file a voluntary 1952-53 return for Rs.50,000. The High Court declined to answer the first two referred jurisdiction questions and answered the other two for the assessee (SCR pp.709-711; PDF pp.2-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 33(4) gave the Tribunal a wide but judicial power, exercisable according to law and only over matters arising from the assessment and first-appellate orders in the appeal before it. It could test whether the 1953-54 cash credits were explained and, if evidence showed capital or earlier-year income, exclude them from that year's charge. It could not instead average or amalgamate two assessment years, divide a round figure between them, or direct reassessment of a year outside the appeal. The assessee's undertaking could not create statutory reopening power and had to be ignored. The Tribunal also gave no reasons or supporting evidence for crediting Rs.15,000 from 1952-53 and Rs.6,000 from 1953-54 against the unexplained credits. Revenue's objections flowed from the issues raised below, and Commissioner of Income-tax v. S. Nelliappan did not authorise the Tribunal's two-year consolidation (SCR pp.711-714; PDF pp.4-7).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court allowed Revenue's appeal, discharged the High Court's answers, held that the Tribunal had no jurisdiction on questions 1 and 2, and answered questions 3 and 4 in the negative. The Tribunal had to assess the income for 1953-54 rather than combine and equally divide income for 1952-53 and 1953-54. There was no order as to costs (SCR p.714; PDF p.7).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the Commissioner of Income-tax/appellant. The Tribunal's cross-year amalgamation, implied reopening direction and unsupported intangible-addition allowance could not stand (SCR pp.712-714; PDF pp.5-7).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: when appellate relief appears to move amounts between assessment years, identify the exact year under appeal, the statutory source of each remedial power, and the evidence linking any proposed credit to the disputed receipt. Consent or an undertaking cannot substitute for jurisdiction, and unexplained-credit relief requires an evidenced and reasoned basis. Apply that discipline to the governing current statute independently; this 1922 Act judgment supplies no present-law clearance (based on SCR pp.711-714; PDF pp.4-7).

Source: [Primary judgment: reviewPoint](#)

SOURCE & VERIFICATION

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

Full 7-page SCR report read and checked. The editorial headnote and adjacent-report boundary text were distinguished from the judicial opinion and operative order.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 7-page count match catalogue asset 1969_3_708_714; every page was reviewed.

The source verifies Civil Appeal No. 2459 of 1966, the stated bench, issues, reasoning and operative result.

No published or archived standalone AKHB note with this source hash, case identity and operative decision was found.

STATUTORY SCOPE

The decision construes the appellate and assessment scheme of the repealed Indian Income-tax Act, 1922, particularly section 33(4), in proceedings for assessment years 1952-53 and 1953-54. It does not establish the scope of present appellate or reassessment powers under later legislation. No current-law or later-treatment clearance was undertaken.

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.