

Sri Ramamohan Motor Service v. Commissioner of Income-tax, Hyderabad

Civil Appeals Nos. 471-476 of 1970

[1973] 3 SCR 959 | 1973-04-11

Whether the six old-Act registration/renewal claims could survive defective applications and whether 1961 section 185(2) could support substantial compliance retrospectively.

185(2) (express non-retrospectivity ruling and alternative requirements-unmet reason only)

Two-judge bench | K.S. Hegde, J. | H.R. Khanna, J.

Assessment years: 1956-57, 1957-58, 1958-59, 1959-60, 1960-61, 1961-62

Old-Act merits with a narrow section 185(2) transition holding

All six actual applications concern AYs 1956-57 to 1961-62 under 1922 section 26A. Retention in the 1961 collection rests solely on the Court's express section 185(2) non-retrospectivity and requirements-unmet ruling; it does not decide an actual 1961 registration assessment. Subsequent partnership validation was left open. Later applicable section 185(2) cases allow cure of a missing P; the historical scheme was later replaced with past-year savings. The scan contains October/December date inconsistencies. Original PDF unchanged; comprehensive later treatment, current law and 2025 mapping are not verified.

01 FACTS OF THE CASE

The assessee firm sought registration and renewals for AYs 1956-57 through 1961-62 under section 26A of the Indian Income-tax Act, 1922. The deed was dated 5 February 1955 and stated that the firm began on 1 January 1955. It named five partners, one a minor represented by his father, with profits and losses shared equally. The first tax-registration application, with the deed, was made on 30 June 1955, the last prescribed day (physical pages 2-3/SCR 960 F-961 D).

The judicial body dates the application to the Registrar of Firms to 18 October 1955. After an objection dated 13 December, the four adults wrote on 18 December 1955 that the minor had been admitted only to benefits and had no liability for losses. The Registrar registered the firm on 10 January 1956. The Court did not know whether, or when, that letter reached the Income-tax Officer. The reporter headnote instead prints 8 October for the Registrar application, and the later judicial recap prints 18-10-1955 for the adults' letter; these discrepancies are preserved, not silently corrected (physical pages 1, 3, 6/SCR 959 D, 961 D-F, 964 E-F).

The judicial opening dates the Officer's initial registration order to 30 June 1960 and says renewals were granted at the same time. The Commissioner cancelled them under old section 33B, the Tribunal upheld cancellation, and the Andhra Pradesh High Court answered the old section 66(1) reference against the firm. The Tribunal had also held that the applications did not conform to the rules; the High Court had concentrated on the partnership's validity. These six special-leave appeals challenged that result (physical pages 2-4/SCR 960 G-962 B).

Source: See the proposition-specific paragraph and PDF-page references below.

02 DISCUSSION BY THE HON'BLE COURT

The Court upheld the defective-application ground and expressly declined to decide whether the adults' letter had subsequently validated the partnership. Under old section 26A, the application had to comply both with the statutory instrument/share requirements and with the prescribed form, particulars and time. Section 59(5) gave the rules statutory effect. Rule 2 prescribed the relevant time limits and permitted delayed applications on sufficient cause; neither firm nor deed was registered under the relevant registration statutes when the first tax application was made (physical pages 4-5/SCR 962 A-963 F).

The submitted deed purported to make the minor a profit-and-loss partner and thus disclosed an invalid partnership under Partnership Act section 30. Even assuming a later valid alteration, it occurred after the application deadline and no condonation was shown. The invalid original registration could not support valid renewals. Independently, Rules 3 and 6 and their prescribed forms required P against a share limited to profits. The original application and renewals omitted it and showed the minor's one-fifth share without qualification. The Court adopted the Tribunal's finding of non-compliance (physical pages 5-6/SCR 963 F-964 F).

Rao Bahadur Ravulu Subba Rao, N.T. Patel and Khanjan Lal Sewak Ram supported the proposition that the old section 26A benefit depended on compliance with its statutory conditions and rules. Their treatment here is the present judgment's account, not an independent review of those earlier sources (physical pages 6-7/SCR 964 F-965 E).

Counsel then invoked 1961 section 185(2) in support of substantial compliance and substantial justice. The Court expressly held that section 185(2) was not retrospective and added that its requirements had not been complied with. That is an actual determination of the newer provision's applicability, albeit within old-Act appeals. The short passage neither quotes the provision nor identifies which particular requirement was unmet; it does not justify inventing a separate finding about a defect notice or a one-month opportunity. The non-retrospectivity and alternative non-compliance reasons must both be retained (physical page 7/SCR 965 F-G).

The Court also rejected the argument that it could not use this ground because the High Court had decided on invalidity of the partnership: the Tribunal had already relied on the defective applications, and the Supreme Court agreed with that conclusion (physical pages 7-8/SCR 965 H-966 B).

Source: See the proposition-specific paragraph and PDF-page references below.

03 JUDICIAL DECISION

All six assessee appeals were dismissed. The parties were directed to bear their own costs in the Supreme Court. The cancellation of the 1922 registrations/renewals and the adverse reference result therefore stood. Section 185(2) afforded no retrospective rescue; the Court additionally recorded non-compliance with that provision. It left the asserted later validation of the partnership undecided (physical pages 4, 7-8/SCR 962 A-B, 965 F-966 C).

Source: See the proposition-specific paragraph and PDF-page references below.

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue on the six registration/renewal appeals

Appeals Nos.471-476 dismissed; each party bears its own Supreme Court costs

Final old-Act registration result, with an express but narrow 1961 section 185(2) applicability holding

No actual 1961 registration assessment was decided in these appeals; no ruling that every later defective form is incurable; no decision on whether the adults' letter itself validated the partnership.

Source: See the proposition-specific paragraph and PDF-page references below.

05 AKHB REVIEW POINT

Keep three questions separate: the deed's legal validity, the statutory application's compliance, and the availability in time of a later remedial provision. Here the Court could dismiss on defective old-Act applications without resolving subsequent partnership validation. Its section 185(2) ruling is retained for the specific temporal issue; it does not transform the six old-Act assessments into 1961 proceedings.

A directly relevant later distinction appears in CIT v. Tamil Puthakalayam (Madras High Court, 16 October 1997), paragraph 13. For AY 1977-78 it treated omission of P in an otherwise complete form as curable under the applicable section 185(2), expressly recalling Sri Ramamohan's non-retrospectivity ruling. Its affirmative reference answer favoured the assessee. This limits any attempt to export the earlier old-Act form result wholesale into the later scheme.

The same firm's separate Andhra Pradesh High Court case of 3 March 1977 concerned AY 1962-63 and a new deed dated 28 June 1962. Paragraph 3 recognises that the Supreme Court had reserved the letter-validation question; paragraphs 4-10 decide the later application against the firm. Those facts and that result must not be merged into the 1973 Supreme Court appeals. Oswal Fertilizers (Bombay High Court, 3 September 1993), paragraph 8, also distinguished Sri Ramamohan's application-rule issue from the deed-construction issue there. Neither High Court overrules the Supreme Court.

Historical statutory limitation: the government-hosted 2011 compilation records replacement of the old registration scheme by the Finance Act, 1992 from 1 April 1993, and a further section 185 substitution from 1 April 2004. It also preserves in section 189A the pre-1 April 1993 Chapter for AY 1992-93 and earlier. A blanket obsolete/current label would miss that savings rule. These are bounded compilation checks, not an exhaustive amendment or current-law opinion (physical pages 780-781, 783/printed 1.739-1.740, 1.742).

Source: See the proposition-specific paragraph and PDF-page references below.

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Caption, date and bench; headnote/body Registrar-date variation

Source url: [Open cited source](#)

Pdf pages: 1; 3

Paragraphs: SCR 959 heading/D; 961 D

2.

Topic: Six appeals, author, actual old-Act provision and assessment years

Source url: [Open cited source](#)

Pdf pages: 2; 3

Paragraphs: SCR 960 C-H; 961 A

3.

Topic: Defective applications; later partnership validation left open; statutory rules

Source url: [Open cited source](#)

Pdf pages: 4; 5; 6

Paragraphs: SCR 962 A-964 F

4.

Topic: Strict registration requirements and express section 185(2) rejection

Source url: [Open cited source](#)

Pdf pages: 7

Paragraphs: SCR 965 D-G

5.

Topic: Tribunal ground and precise dismissal/costs

Source url: [Open cited source](#)

Pdf pages: 8

Paragraphs: SCR 966 A-C

6.

Topic: Later distinction for curable missing P under applicable section 185(2)

Source url: [Open cited source](#)

Paragraphs: 13-14

Source role: later judicial treatment

7.

Topic: Separate same-party 1962-63 case, reserved issue and later result

Source url: [Open cited source](#)

Paragraphs: 1, 3-10

Source role: later judicial treatment

8.

Topic: Application-rule issue distinguished from deed construction

Source url: [Open cited source](#)

Paragraphs: 8

Source role: later judicial treatment

9.

Topic: Scheme replacement, section 185 substitution and saved past assessments

Source url: [Open cited source](#)

Pdf pages: 780; 781; 783

Paragraphs: Printed 1.739 footnote 90; 1.740 section 185 and footnotes 95-96; 1.742 section 189A and footnote 7

Source role: bounded statutory compilation

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

The 1961 connection is narrow but judicial: counsel invoked section 185(2), and the Court expressly rejected its retroactive application and additionally found its requirements unmet. The actual registration merits, prescribed forms, time limits, revision and reference remain under the 1922 Act. This note does not transfer the old-Act strict-compliance result wholesale into later 1961 registration cases.

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

K.S. Hegde, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Indian Income-tax Act, 1922 registration/renewal proceedings, with an express Income-tax Act, 1961 section 185(2) non-retrospectivity and non-compliance holding

OTHER STATUTORY PROVISIONS AND THEIR SEPARATE SCOPE

Indian Income-tax Act, 1922, sections 26A, 33B, 59(5) and 66(1); Registration Rules 2, 3, 4 and 6 under the 1922 Act; Indian Partnership Act, 1932, section 30; Indian Registration Act, 1908 (registration status in Rule 2)

BOUNDED NON-PDF SOURCES AND READING LIMITS

1.

Kind: later judgment primary text reproduction

Title: Commissioner of Income-tax v. Tamil Puthakalayam

Court: Madras High Court

Decision date: 1997-10-16

Citation: [1999] 240 ITR 599 (Mad)

Url: [Open cited source](#)

Format: HTML

Read bounds: Complete reproduced judicial text, paragraphs 1-14; reliance specifically paragraph 13 and disposition paragraph 14.

Full bounded judicial text read: True

Full document read: True

Reliance limit: Later High Court distinction, not a Supreme Court overruling or current-law certificate. Third-party reproduction; no signed court original acquired.

2.

Kind: later judgment primary text reproduction

Title: Ramamohan Motor Service v. Commissioner of Income-tax

Court: Andhra Pradesh High Court

Decision date: 1977-03-03

Citation: [1979] 120 ITR 434 (AP)

Url: [Open cited source](#)

Format: HTML

Read bounds: Complete reproduced judicial text, paragraphs 1-10; reliance on paragraphs 1, 3-8 and 10 for separate year, reserved issue and result.

Full bounded judicial text read: True

Full document read: True

Reliance limit: Separate same-party 1962-63 proceeding; not merged with the six Supreme Court old-Act appeals. Third-party reproduction; no signed court original acquired.

3.

Kind: later judgment primary text reproduction

Title: Oswal Fertilizers Corporation v. Commissioner of Income-tax

Court: Bombay High Court

Decision date: 1993-09-03

Citation: [1995] 215 ITR 433 (Bom)

Url: [Open cited source](#)

Format: HTML

Read bounds: Complete reproduced judicial text, paragraphs 1-13, read across two web outputs; reliance specifically paragraph 8.

Full bounded judicial text read: True

Full document read: True

Reliance limit: Factual/issue distinction about partnership-deed construction, not overruling of the transition holding. Third-party reproduction; no signed court original acquired.

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(reported judgment\)](#)

Identified source rendition: 8 PDF pages; SHA-256

941d5cf855988d5659b8b68138f38951761d45cffce0242d2b31e4a4edeac7b4. Original bytes preserved.

Reporter headnote occupies physical page 1/SCR 959 through physical page 2/SCR 960 C; appellate metadata/counsel at 960 C-E; Hegde judicial text starts 960 E and ends physical page 8/SCR 966 B-C with dismissal and own Supreme Court costs. No neighbouring judgment.

[Open cited source rendition](#)

full primary text read: True; all primary page images reviewed: True; source integrity verified: True; actual statutory scope verified: True; later treatment comprehensive: not_verified; current law status: not_verified; statutory mapping 2025: not_verified

SCR scan date and citation verified. Frozen catalogue neutral-citation label 1973INSC79 is not printed or independently authenticated by this scan.

Catalogue lists only Appeal 471; the scan identifies Appeals 471-476.; Do not treat the High Court's ab initio invalidity rationale as the only Supreme Court ground: the Court relies on defective applications and reserves the alleged later validation issue.; Printed headnote page 1 gives 8 October 1955 for the Registrar application; judicial page 3 gives 18 October 1955. The adults' letter is 18 December 1955 on pages 3-4, but page 6 literally prints 18-10-1955 when referring back to it. Source dates remain unrepaired.; The section 185(2) passage is a judicial ruling rejecting retroactive reliance, not a holding that a 1961 application was before the Court.; Page 5 prints partition deed in the later-alteration sentence; the surrounding instrument is the partnership deed. Original unchanged.; The Court does not specify which section 185(2) requirements were unmet; do not invent a separate cure-notice factual finding.; Later High Court reproductions are used only for the identified distinctions and same-party identity separation. They are not authenticated signed originals.; The 2011 compilation records replacement and savings; the original 1962/1971 versions and all amendments have not been independently reconstructed.

All six actual registration and renewal applications concern 1922 section 26A. The judicial opening states accounting calendar years 1955-1960. No actual AY 1962-63 application is part of these six appeals.

The primary caption covers six appeals, Nos.471-476; the frozen catalogue lists only the lead No.471.

STATUTORY SCOPE

No Income-tax Act, 2025 crosswalk or present-law certification. The historical section 185(2) wording and later replacement/savings must not be mapped by section number alone.

LATER TREATMENT

Source checked 2026-10-05. not_verified comprehensively. Targeted title/citation/overruling/distinguishing searches and retained-review-note searches on 5 October 2026 led to the three specified High Court reproductions. Their limited treatment is recorded above; no comprehensive citator, absence-of-adverse-treatment or current effectiveness conclusion is drawn.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 8](#)

SHA-256: 941d5cf855988d5659b8b68138f38951761d45cffce0242d2b31e4a4edeac7b4

[official government hosted statutory compilation bounded - PDF pages: 1251](#)

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

[Commissioner of Income-tax v. Tamil Puthakalayam](#)

[Ramamohan Motor Service v. Commissioner of Income-tax](#)

[Oswal Fertilizers Corporation v. Commissioner of Income-tax](#)

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