

Commissioner of Income Tax, Kanpur v. M/s. J. K. Commercial Corporation Ltd. Etc.

Civil Appeal Nos. 1580–1583 of 1971 — Four certified appeals involving J. K. Commercial Corporation and J. K. Synthetics for two assessment years, disposed of by one judgment.

[1977] 1 SCR 512 | 1976-09-03

An order imposing additional super-tax under section 23A formed part of the assessment record and was rectifiable under section 35(1).

Indian Income-tax Act, 1922 | 1922 Act: 23(3) | 1922 Act: 23A | 1922 Act: 24 | 1922 Act: 30 | 1922 Act: 35(1) | 1922 Act: 35(3) | 1922 Act: 35(5) | 1922 Act: 35(7) | 1922 Act: 34(3) (distinguished context) | 1961 Act: 104 (historical comparison) | 1961 Act: 154(1)(a) (historical comparison)

3 Judges | H. R. Khanna | N. L. Untwalia | Jaswant Singh

01 FACTS OF THE CASE

The officer had jurisdiction to rectify the companies' additional-super-tax orders. J. K. Commercial Corporation and J. K. Synthetics were assessed for 1955–56 and 1956–57. Separate orders dated 21 January 1957 imposed super-tax on undistributed profits under section 23A. After notices in November 1959, the officer corrected mistakes and increased the liability; the Commissioner rejected revisions. The Allahabad High Court quashed those orders, reading Parikh and Sankappa as denying the necessary rectification power. The Revenue brought four appeals.

Source: [SCR 513–514; target report and identified opinion only.](#)

02 DISCUSSION BY THE HON'BLE COURT

Untwalia J read assessment contextually. Although a section 23A order might not be an assessment in the narrow section 23 sense, it was a supplementary step imposing tax on the assessed undistributed balance. Chapter IV's appeal, revision and rectification scheme supported its inclusion in the record of assessment. The notice safeguard, consequential amendments and shareholder provision in section 35(7) reinforced that construction. Parikh concerned limitation under section 34(3); its interpretation did not control section 35(1). The equal-strength Bench did not overrule Parikh. Sankappa, correctly understood, recognised that rectification was part of assessment proceedings.

Source: [SCR 514–518; target report and identified opinion only.](#)

03 JUDICIAL DECISION

Section 35(1) covered apparent mistakes in section 23A orders. The Court declined to give an exhaustive list of every rectifiable order. It also distinguished the broader wording of section 154(1)(a) of the 1961 Act, which expressly covered other orders; that comparison did not change the governing 1922 Act.

Source: [SCR 518–518; target report and identified opinion only.](#)

04 OUTCOME / IN WHOSE FAVOUR

All four Revenue appeals allowed; High Court judgment set aside and the companies' writ petitions dismissed. The rectification orders survived the jurisdictional challenge. Each respondent company ordered to pay one set of Supreme Court costs in its respective appeals.

Source: [SCR 518-518; target report and identified opinion only.](#)

05 AKHB REVIEW POINT

Identify the provision's particular use of assessment before importing an interpretation from another section. This case establishes the class of order within rectification jurisdiction; it does not remove the separate requirements of an apparent mistake, timely action and a hearing where liability increases.

Source: [SCR 517-518; target report and identified opinion only.](#)

ORIGINATING PROCEEDINGS

1.

Case numbers: Civil Misc. Writ Nos. 3251-3254 of 1968

Relationship: Common Allahabad High Court judgment dated 11 March 1969.

SOURCE & VERIFICATION

Original reported Supreme Court judgment

7-page retained public-mirror SCR report. The complete report was read as text and page images. The acquisition URL is preserved provenance; current endpoint availability and authentication as a signed original are not newly verified. All 7 physical text and image pages genuinely read. Entire PDF is the target report, including headnote and any separate opinion; cited/quoted cases are authorities, not additional primary targets. The decision is dated 3 September 1976, although reported in 1977. The source comprises the entire seven-page target judgment; four appeals and two respondent companies must be retained. Parikh is distinguished and expressly left unoverruled; the decision does not make every error reviewable through rectification.

Open cited source rendition

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STATUTORY SCOPE

Indian Income-tax Act, 1922; 23(3), 23A, 24, 30, 35(1), 35(3), 35(5), 35(7), 34(3) (distinguished context), 104 (historical comparison), 154(1)(a) (historical comparison)

The retained 2011 section 154(1)(a) allows amendment of an order for an apparent mistake; sections 154(1A),(3),(7) separately address decided appellate matters, hearing and time. These later words are broader than the 1922 wording construed in the judgment.

Section 287(1) covers orders and specified intimations; subsections (2), (4), (8) separately constrain decided matters, adverse amendments and time.

Historical operative law is distinct from the cited later versions. Complete repeal/savings, tax-year applicability, unexamined rules and comprehensive subsequent judicial treatment remain unverified.

LATER TREATMENT

Source checked 2026-10-08. No comprehensive subsequent judicial-history review was performed for this note; unchecked treatment must not be read as absence of later treatment.

Named authorities discussed within the judgment are antecedent authorities. The separately sourced legislative developments are statutory comparisons, not a later-judgment certification.

Primary holding and expressly identified bounded statutory readings only.

IDENTIFIED SOURCE LINKS

[Income-tax Act,1961: identified2011 compilation](#)

DOR-hosted Taxmann compilation as amended by Finance Act2011 The retained 2011 section 154(1)(a) allows amendment of an order for an apparent mistake; sections 154(1A),(3),(7) separately address decided appellate matters, hearing and time. These later words are broader than the 1922 wording construed in the judgment. Identified historical2011 compilation. Not a current consolidated statute, full-Act, image or complete transaction-applicability review. Text pages read: 42, 735-736.

[Income-tax Act,2025: bounded provisions](#)

Official compilation as amended by Finance Act2026 Lines15449-15486, physical pages 380-381. Capture hashes identify exact returned text-output bytes, not the remotePDF. No full-Act, image, complete transition or comprehensive subsequent-history verification.

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