

Commissioner of Agricultural Income Tax v. M. N. Moni

Civil Appeal No. 2716 of 2007

[2007] 7 SCR 257 | 2007-05-18

Kerala agricultural income-tax reference: factual findings could not be displaced without identifying perversity, absence of evidence or another question of law.

Kerala Agricultural Income Tax Act, 1952: section 60

3-judge bench | Arijit Pasayat, J. | P. K. Balasubramanyan, J. | D. K. Jain, J.

Assessment years: 1982-83, 1983-84

Procedural remand only

The Supreme Court did not decide whether the assessee had disclosed income from the disputed acreage. It set aside the High Court's unexplained interference and remitted the reference.

01 FACTS OF THE CASE

For AYs 1982-83 and 1983-84, the estate reported agricultural income from several crops. The assessing authority considered the returns incomplete, noted the absence of the relevant register and production details for 60.79 acres, and estimated coffee income from that area. The first appellate authority confirmed that finding while allowing cultivation expenses at Rs.2,000 per acre. The Tribunal found that the accounts covered only 218 acres and upheld the estimate. On a section 60 reference asking whether the Tribunal's finding lacked evidentiary support, the Kerala High Court summarily ruled for the assessee because coffee could be sold only through a named intermediary. Revenue appealed.

Source: [Facts, reference question and High Court order: paras 3-11](#)

02 DISCUSSION BY THE HON'BLE COURT

In reference jurisdiction the High Court could not substitute a different factual view merely because one was possible. Interference required a legal defect such as a finding without evidence, perversity, improper rejection of evidence, or reliance on a mixture of relevant and irrelevant material. Appreciation of evidence and inferences from facts ordinarily remained factual. The High Court had not explained why the concurrent findings of the assessing and appellate authorities were unsustainable. Even after a reference is made, the High Court may decline to answer if no question of law is involved.

Source: [Reference-jurisdiction reasoning: paras 12-15, SCR p.261](#)

03 JUDICIAL DECISION

Without expressing any opinion on whether the disputed income was omitted, the Supreme Court set aside the High Court's order and remitted the reference for fresh consideration. The appeal was disposed of without costs.

Source: [Operative remand: para 16, SCR p.261](#)

04 OUTCOME / IN WHOSE FAVOUR

Procedurally in favour of Revenue only. Revenue secured reversal of the High Court order and a fresh hearing, but did not obtain a final merits ruling that the additional 60.79-acre income was taxable. The matter was remanded and no costs were awarded.

Source: [Qualified procedural outcome: paras 15-16](#)

05 AKHB REVIEW POINT

AKHB analysis: when challenging or defending a tax-reference finding, identify the exact legal gateway rather than simply rearguing the evidence. Record whether the complaint is no evidence, perversity, improper exclusion, or contamination by irrelevant material, and link it to the authorities' actual findings. Treat this decision's result as a remand, not as approval of the assessment estimate or a final Revenue victory on taxability.

Source: [Limits on factual interference and remand: paras 12-16](#)

SOURCE & VERIFICATION

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

Full 5-page SCR report read. Editorial headnote on PDF pages 1-2 was distinguished from the numbered judicial text beginning on PDF page 2 (SCR p.258).

[Open cited source rendition](#)

Exact bytes, SHA256 and five-page count match catalogue asset 2007_7_257_261. All pages were read.

The title, 18 May 2007 date, three-judge bench, Civil Appeal No. 2716 of 2007 and [2007] 7 SCR 257 citation were verified from the report.

The High Court proceeding is printed as ITR Nos. 143 and 144 of 1999; the report's jurisdiction heading contains evident spacing/OCR defects, which do not affect identity.

The judgment contains numbered paragraphs 1-16. Paragraph and SCR/PDF page pinpoints are supplied.

STATUTORY SCOPE

The ruling concerns the historical reference jurisdiction under section 60 of the Kerala Agricultural Income Tax Act, 1952. It does not determine the current appellate standard under other tax enactments.

LATER TREATMENT

Source checked 2026-10-10. Comprehensive later treatment and current statutory equivalents have not been checked. No current-law or citator clearance is represented.

AI DISCLOSURE

AI-assisted research. The AKHB Review Point is editorial analysis, not part of the Court's judgment.

PROFESSIONAL DISCLAIMER

AI-assisted legal research note for general information and professional research. It is not legal or tax advice. Verify the original judgment, applicable statutory version and subsequent judicial treatment before relying on it. The AKHB Review Point is editorial analysis, not part of the Court's judgment.