

K.P. Mohammed Salim v. Commissioner of Income-tax, Cochin

Civil Appeal No. 2946 of 2008 and connected proceedings (full list below)

[2008] 6 SCR 949 | 2008-04-24

Could a competent authority exercise section 127 transfer powers for an assessment covering a block period under historical Chapter XIV-B, or did that special procedure leave jurisdiction exclusively with the original Assessing Officer?

127(1) | 127(2) | 127 Explanation | 120 (in the Explanation) | 132 | 158B(a) (historical version) | 158BC | 158BD | 158BE | 158BG | 158BH

Two judges | S.B. Sinha, J. | Lokeshwar Singh Pantia, J.

Assessment years: See the source-scope notes; no year inferred.

Historical block-assessment version and transfer safeguards

This decision concerns the former Chapter XIV-B. Search date and exact block years are not stated. Paragraph 9 prints 1996 for introduction; retained historical compilation records 1995. All eleven appeals were dismissed with costs and Rs. 25,000 counsel's fee, without a per-appeal allocation. Later Chapter replacement effective 1 September 2024 and a 2025 amendment are separate, bounded statutory checks: their repeated section numbers do not establish present applicability of this holding. Blue Moon is a comparison, not direct treatment. Comprehensive later treatment, current law, transitional savings and Income-tax Act 2025 mapping are not verified.

01 FACTS OF THE CASE

A search was conducted at the residence and business premises of the assessee, his sons and other associates. To facilitate effective and coordinated investigation, the Chief Commissioner of Income Tax, Bangalore transferred the assessee's cases to the Income Tax (Investigation) Circle, Calicut under section 127(2). The Calicut officer issued a section 158BC notice requiring a return for the block period (physical 4/SCR 952 C-E, paragraph 2).

The assessee challenged the transfer in the Karnataka High Court. His writ petition and writ appeals were dismissed. A further notice to file a block return followed; the assessee filed the return and the Calicut officer determined undisclosed income. The assessment was challenged on the ground that the Calicut officer lacked jurisdiction because the original Assessing Officer alone could conduct the block assessment. The Kerala High Court rejected that construction. Before the Supreme Court, the assessee maintained that the special block-assessment definition and procedure excluded section 127; the Revenue supported its application (physical 4-5/SCR 952 F-953 D, paragraphs 2-5).

The source does not state the search date, exact block years or assessed amount. Its eleven-appeal range is express, but it supplies no separate factual allocation among those appeals.

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

02 DISCUSSION BY THE HON'BLE COURT

The Court treated the lawful search power and applicability of Chapter XIV-B to this case as undisputed. It reproduced section 158B(a), including the six-assessment-year formulation and the proviso substituting ten years for a search or requisition before 1 June 2001. It then described the block as covering ten years plus the relevant part of the search year. That description is historical and does not establish an unstated search date. Chapter XIV-B supplied a special assessment procedure; it did not displace the purpose of income-tax assessment. Section 158BH expressly applied other provisions of the Act unless the Chapter provided otherwise (physical 5-6/SCR 953 E-954 D, paragraphs 6-7).

Section 127 was a machinery provision serving the public purpose of effective assessment. Its reference to any case did not confine a transfer to one assessment year. The Explanation's inclusion of pending, completed and future proceedings for any year supported a workable construction covering block assessments. Nor did its reference to section 120 make section 120 the exclusive source of transfer authority. The Court used a purposive reading of any in this statutory context; it did not declare that any must invariably mean all in every enactment (physical 6-8/SCR 954 E-956 D, paragraphs 8-10; physical 10/SCR 958 C-D, paragraph 11).

The Court approved the Andhra Pradesh High Court's reasoning in *Mukutla Lalita* that section 127 and Chapter XIV-B were supplementary rather than inconsistent. That quoted reasoning addressed the transfer machinery between the other-person provision and the competent assessing authority, and explained why the opportunity of hearing could matter: a person might show that he was unconnected with the search proceedings. It therefore rejected the idea that the section 127 safeguards were an empty formality. The Supreme Court then added the independent support of section 158BH, which the earlier court had not considered, and held that section 127 applied *mutatis mutandis* to the block assessment (physical 8-10/SCR 956 E-958 D, paragraphs 10-11).

The decision establishes availability of the transfer power in this statutory setting. It does not adjudicate the amount of undisclosed income, eliminate the stated hearing/reasons requirements, or decide a new block-assessment regime enacted many years later. Paragraph 9's statement that the Chapter entered the statute book in 1996 is a printed source anomaly; the historical compilation records the 1995 insertion, as separately disclosed below.

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

03 JUDICIAL DECISION

The Court held that section 127 could be exercised for a block assessment and dismissed all eleven assessee appeals with costs. Counsel's fee was assessed at Rs. 25,000. The judgment did not apportion that fee separately per appeal (physical 10/SCR 958 E-F, paragraph 12).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue on the availability of section 127 transfer jurisdiction for the historical block assessment

Civil Appeals 2946-2956 of 2008 dismissed with costs; counsel's fee assessed at Rs. 25,000

Reasoned procedural-jurisdiction holding; no independent redetermination of undisclosed-income quantum

Former Chapter XIV-B and section 127 transfer power on the source facts; neither an exemption from statutory transfer safeguards nor a ruling on the substituted 2024 Chapter

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

05 AKHB REVIEW POINT

Identify the governing search-assessment version before using this decision. Within the historical scheme, special assessment machinery and general transfer powers were complementary. The useful distinction is between the power to transfer and compliance with the conditions for a particular transfer: the Court's adoption of meaningful hearing safeguards prevents treating its broad jurisdictional conclusion as a blanket validation of every transfer.

Hotel Blue Moon (2 February 2010) is a bounded later comparison, not a direct citation of Salim. In the former Chapter XIV-B setting it required the statutory section 143(2) notice where the officer investigated and repudiated the block return, and rejected omission as a merely curable procedural irregularity. It also described section 158BH as an enabling provision applying other provisions subject to the Chapter's exceptions. Its six Revenue appeals were dismissed without a costs order. This illustrates that making the machinery workable does not erase procedural protections (physical 13-15/SCR 294-296, paragraphs 15-19).

The retained 2011 compilation separately records Chapter XIV-B's insertion by the Finance Act 1995 effective 1 July 1995, contrary to Salim's printed 1996 recital, and reproduces the former section 158BI cut-off for searches/requisitions after 31 May 2003 (physical 749-750 and 758). The departmental section 158B page labelled Year 2025 records a replacement Chapter effective 1 September 2024 and displays a different block-period definition. The separately opened Finance Act 2025 section 55 page records omission of section 158BI deemed effective 1 September 2024. Those are selected later legislative facts, not a conclusion that this 2008 holding automatically governs the replacement Chapter. The original 2024 Gazette, complete transitional/savings framework and all subsequent changes were not verified. Comprehensive later treatment, current applicability and the Income-tax Act 2025 crosswalk remain not verified.

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

APPEAL AND PROCEEDING NUMBERS

Civil Appeal No. 2946 of 2008 / Civil Appeal No. 2947 of 2008 / Civil Appeal No. 2948 of 2008 / Civil Appeal No. 2949 of 2008 / Civil Appeal No. 2950 of 2008 / Civil Appeal No. 2951 of 2008 / Civil Appeal No. 2952 of 2008 / Civil Appeal No. 2953 of 2008 / Civil Appeal No. 2954 of 2008 / Civil Appeal No. 2955 of 2008 / Civil Appeal No. 2956 of 2008

DETAILED DISPOSITION AND CONNECTED GROUPS

Proceeding outcomes

1.

Case number: Civil Appeals 2946-2956 of 2008 (eleven appeals)

Outcome: All dismissed under the common judgment; no individual variation or separate fee allocation stated

Costs: Costs awarded; counsel's fee assessed at Rs. 25,000, not stated to be per appeal

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity, eleven appeals, proceedings and historical statutory issue

Source url: [Open cited source](#)

Pdf pages: 1; 3; 4; 5

Paragraphs: Heading; paragraphs 1-6; SCR 951 G-953 E

2.

Topic: Block definition, section 158BH and transfer text

Source url: [Open cited source](#)

Pdf pages: 5; 6; 7

Paragraphs: Paragraphs 6-9; SCR 953 E-955 H

3.

Topic: Machinery construction, adopted safeguards and supplemental provisions

Source url: [Open cited source](#)

Pdf pages: 8; 9; 10

Paragraphs: Paragraphs 9-11; SCR 956 A-958 D

4.

Topic: Dismissal and exact costs

Source url: [Open cited source](#)

Pdf pages: 10

Paragraphs: Paragraph 12; SCR 958 E-F

5.

Topic: Later historical comparison, safeguards and outcome

Source url: [Open cited source](#)

Pdf pages: 10; 13; 14; 15

Paragraphs: Paragraphs 10 and 15-19; SCR 291 D,294-296

6.

Topic: 1995 insertion, historical definition and 2003 cut-off

Source url: [Open cited source](#)

Pdf pages: 749; 750; 758

Paragraphs: Printed 1.708-1.709 and 1.717; footnotes 51,52,79

7.

Topic: Later Chapter replacement and changed definition, bounded CMS text

Source url: [Open cited source](#)

Pdf pages:

Paragraphs: Year 2025 heading; section 158B(a), Explanation and footnote 30

8.

Topic: Later omission of 158BI, bounded CMS text

Source url: [Open cited source](#)

Pdf pages:

Paragraphs: Finance Act 2025 section 55

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

Actual transfer and block-assessment jurisdiction under the former Chapter XIV-B. Later statutes using the same Chapter and section numbers require separate version analysis.

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

S.B. Sinha, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act,1961, section 127 and historical Chapter XIV-B

SPECIFIED LATER DECISION AND LIMITS OF THE CHECK

1.

Classification: Later judicial comparison; no direct citation found

Source url: [Open cited source](#)

Pdf pages: 10; 13; 14; 15

Holding limit: Historical Chapter XIV-B notice safeguards and section 158BH; not treatment of Salim or the substituted 2024 scheme

Bounded check: verified only within explicit read bounds

DATED OFFICIAL STATUTORY HTML COMPARISONS AND READING LIMITS

1.

Kind: official statutory html bounded

Title: Departmental section 158B presentation

Url: [Open cited source](#)

Selected version: Year 2025

Full relevant section text read: True

Full document text read: False

Read bounds: Full section 158B and Explanation, version heading, and footnotes 30-31 read. Footnote 30 records substitution of Chapter XIV-B by Act 15 of 2024 effective 1 September 2024. Only the existence of that later replacement and difference in block-period wording are relied on; no current applicability determination.

Provenance: Relevant complete provision and page version heading successfully opened with web tool on 5 October 2026. Official departmental CMS reproduction, not authenticated original Gazette or comprehensive current-law review. No PDF pagination/hash invented.

Filename: Not stated in the reviewed record

Sha256: Not stated in the reviewed record

File bytes: Not stated in the reviewed record

Pdf pages: Not stated in the reviewed record

Physical text pages read:

Physical image pages read:

2.

Kind: official statutory html bounded

Title: Finance Act 2025 section 55: omission of section 158BI

Url: [Open cited source](#)

Selected version: Finance Act 2025

Full relevant section text read: True

Full document text read: False

Read bounds: Complete English substantive text under Hindi CMS interface read, with Act/year/section headings. Section 55 states omission of 158BI deemed effective 1 September 2024. No broader 2025 scheme or Income-tax Act 2025 crosswalk review.

Provenance: Relevant complete provision and page version heading successfully opened with web tool on 5 October 2026. Official departmental CMS reproduction, not authenticated original Gazette or comprehensive current-law review. No PDF pagination/hash invented.

Filename: Not stated in the reviewed record

Sha256: Not stated in the reviewed record

File bytes: Not stated in the reviewed record

Pdf pages: Not stated in the reviewed record

Physical text pages read:

Physical image pages read:

SOURCE & VERIFICATION

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

Identified source rendition: 10 PDF pages; SHA-256

51c4a5e3a13d392210eeb025cab6887683dbf0a6490e9408aabe9d7b252b9788. Original bytes preserved.

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

Decision date, bench and SCR citation checked on the first-page image. Catalogue INSC identifier is not independently authenticated in this rendition.

Frozen catalogue lists only Appeal 2946; source heading and recital give 2946-2956. Paragraph 2 additionally names WPC 23449/2003.; No search date, exact block years or assessed amount is stated; do not invent them from the ten-year discussion.; Paragraph 9/SCR 956 B prints 1996 for the Chapter's introduction. DOR 2011 physical 749 footnote 51 records Finance Act 1995, effective 1 July 1995. Original source bytes are unchanged.; Section 158BH's save-as-otherwise-provided qualification and section 127 safeguards remain material.; All eleven appeals were dismissed with costs; Rs. 25,000 is counsel's fee, with no per-appeal allocation.; Hotel Blue Moon is related later comparison, not direct citation treatment; newer statutory provisions are separately versioned.; Two legacy departmental PDF attempts returned 404; neither PDF was acquired or relied on. Successful bounded HTML readings are separately identified. No current-law or comprehensive 2025 mapping verification.

Neither the date of search nor the constituent assessment years/block dates are stated. The judgment quotes the six-year definition with its pre 1 June 2001 ten-year proviso, then discusses ten years; no particular search date or assessment year is inferred.

The heading and appellate recital list Civil Appeals 2946-2956 of 2008. The frozen catalogue lists 2946 only. Paragraph 2 identifies Kerala High Court ITA 172/2000 and WPC 23449/2003, judgment 2 April 2004; the short appellate recital lists only the ITA. No individual allocation among the eleven appeals is given.

STATUTORY SCOPE

No automatic Income-tax Act, 2025 crosswalk. Complete amendments, commencement, savings and case-specific present applicability have not been verified.

LATER TREATMENT

Source checked 2026-10-05. Bounded web discovery and retained primary comparison performed. No exhaustive direct/adverse-treatment citator or subsequent case-proceeding search. Blue Moon is comparison only. Selected later statutory differences verified within stated source/version limits; present operation remains not_verified.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 10](#)

SHA-256: 51c4a5e3a13d392210eeb025cab6887683dbf0a6490e9408aabe9d7b252b9788

[later reported judgment bounded comparison - PDF pages: 15](#)

SHA-256: 4419390cf7dbbeb170b9382fab4edaa10bcead1e860701bf7689e7675adcae41

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

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

[Departmental section 158B presentation](#)

[Finance Act 2025 section 55: omission of section 158BI](#)

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.