

Dr. K. George Thomas v. The C.I.T., Kerala, Ernakulam

Civil Appeals Nos. 295 and 296 (NT) of 1974 — Connected certificate appeals from Kerala High Court I.T.R. Nos. 32 and 33 of 1971, concerning AYs 1960-61 and 1961-62. and connected proceedings (full list below)

[1985] Supp 2 SCR 936 | 1985-09-23

Donations closely connected with the assessee's vocation of religious preaching and newspaper publication were taxable income. On the found facts they were not exempt casual and non-recurring receipts under section 4(3)(vii) of the 1922 Act (SCR 943-946, 948).

Indian Income-tax Act, 1922 | 1922 Act: 4(3)(vii) | 1922 Act: 66(1)

2-judge bench | V.D. Tulzapurkar, J. | Sabyasachi Mukharji, J.

01 FACTS OF THE CASE

For assessment years 1960-61 and 1961-62, the assessee received Rs.2,90,220 and Rs.3,63,750 through the Indian Christian Crusade, USA. He published Kerala Dhvani to advance the religious movement with which he was associated and claimed that the receipts were voluntary personal gifts. The Income-tax Officer and Appellate Assistant Commissioner taxed them. The Tribunal accepted the exemption claim; on reference, the Kerala High Court answered both questions against the assessee (SCR 939-943).

Source: [SCR 936-948; physical PDF pages 1-13](#)

02 DISCUSSION BY THE HON'BLE COURT

Mukharji J. applied the distinction between a personal gift and a receipt arising from a vocation. Profit motive was unnecessary where the activity in fact produced income. The donations supported the newspaper's mission and continued while that vocation continued, providing the required close connection. The Revenue first had to establish income character; only then did the burden of proving an exemption fall on the assessee. The Court also reaffirmed the limits of reference jurisdiction: the High Court ordinarily proceeds on the Tribunal's basic facts unless properly challenged. It held that those basic facts had not been displaced here, although the Tribunal's tax conclusion was rejected (SCR 942-946).

Source: [SCR 936-948; physical PDF pages 1-13](#)

03 JUDICIAL DECISION

The sums were income arising from the assessee's vocation and did not qualify for the section 4(3)(vii) exemption. The Court sustained the High Court's negative answers to both referred questions (SCR 945-948).

Source: [SCR 936-948; physical PDF pages 1-13](#)

04 OUTCOME / IN WHOSE FAVOUR

Revenue on taxability; assessee on ancillary filing relief Both assessee appeals were dismissed with costs, leaving the taxability ruling intact. Civil Miscellaneous Petition No. 10046 of 1976, seeking condonation of delay in filing additional papers, was allowed. No remand was ordered (SCR 948). Substantive historical income-tax issue decided No current-law or comprehensive later-treatment certification.

Source: [SCR 936-948; physical PDF pages 1-13](#)

05 AKHB REVIEW POINT

The receipt's connection with the actual vocation is central; voluntary payment and absence of profit motive do not by themselves decide taxability. Preserve the initial burden on the Revenue and the factual basis for rejecting exemption. This is a historical 1922 Act decision; later treatment and modern statutory mapping remain unverified.

Source: [SCR 936-948; physical PDF pages 1-13](#)

APPEAL AND PROCEEDING NUMBERS

Civil Appeals Nos. 295 and 296 (NT) of 1974 — Connected certificate appeals from Kerala High Court I.T.R. Nos. 32 and 33 of 1971, concerning AYs 1960-61 and 1961-62. / Civil Miscellaneous Petition No. 10046 of 1976 — Application to condone delay in filing additional papers, allowed in the common disposition.

ASSESSMENT YEARS AND LIMITS

Years: 1960-61; 1961-62

Qualification: Only years material to the issues described are listed; different claims may cover different years as stated in the facts.

REPORTED CITATION

Supplied SCR report citation; no machine-generated neutral citation substituted.

STATUTORY CONTEXT

Indian Income-tax Act, 1922, section 12B: exclusionary statutory context; Travancore Income-tax Act, 1121: discussed through P. Krishna Menon

SOURCE & VERIFICATION

Original reported Supreme Court judgment

Unchanged supplied SCR report; catalog identifies a CC-BY-4.0 public eSCR mirror. Not represented as a separately fetched official signed PDF. Headnote SCR 936-939; jurisdiction/counsel and sole Mukharji J. judgment begin SCR 939; reasons, appeal dismissals and ancillary petition order end SCR 948. No adjacent judgment is included.

Open cited source rendition

The narration at SCR 940 first mentions ledger credits of Rs.2,57,136 and then total receipts of Rs.2,90,220. The referred question and operative assessment amount are Rs.2,90,220; the figures are not silently equated.

The report states the Tribunal's exemption conclusion and later treats its underlying basic facts as accepted. The Supreme Court's distinction between factual findings and their tax consequence is preserved.

STATUTORY SCOPE

Indian Income-tax Act, 1922. The historical operative enactment is identified. Other enactment references are source context only unless expressly identified as operative; no 2025 mapping is asserted.

LATER TREATMENT

Source checked 2026-10-09. Subsequent appeals, review proceedings, stays, reversals and later treatment have not been comprehensively checked. This is not a citator status certificate.

AI DISCLOSURE

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