Commissioner of Income Tax, Patiala v. Air Craft Radio Corporation

ITR 117/1990

No neutral citation stated in source | 2007-01-17

Second reassessment on the same grounds could not circumvent final annulment of the first.

147(a) | 148 | 143(3) | 256(2)

High Court of Punjab and Haryana | Division Bench | M.M. Kumar | Rajesh Bindal

Assessment years: 1969-70

01 FACTS OF THE CASE

The radio trading and repair firm returned Rs.7,959 and was originally assessed at Rs.8,010. A 2 June 1973 notice for AY 1969-70 relied on unverified tax-evasion complaints and a bare assertion of underassessment. The first reassessment at Rs.73,530 was annulled on 20 February 1978. The officer then again assessed Rs.73,530 on 26 December 1978 using identical income and deduction items; that order was also cancelled and the Tribunal upheld cancellation.

Source: PDF p.1

02 DISCUSSION BY THE HON'BLE COURT

The prior annulment found no bona fide belief grounded in definite information; the second exercise added nothing new. The High Court applied Rao Thakur Narayanan Singh, as followed in Manoo Lal Kedar Nath: a binding prior finding cannot be circumvented by reopening on the same facts. Obtaining sanction did not alter the repeated grounds described in the Tribunal's findings.

Source: PDF p.4

03 JUDICIAL DECISION

The question whether the Tribunal was right to annul the reassessment was answered against Revenue and in favour of the assessee. The reference was disposed of accordingly.

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04 OUTCOME / IN WHOSE FAVOUR

Annulment of the second reassessment stood. The officer could not repeat the same proceedings after the earlier appellate annulment on the same factual basis.

Source: PDF p.5

05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

The content of the earlier finding controlled the second attempt — The first annulment was not treated as a mere clerical omission curable by rewriting the reasons. It negated bona fide belief on definite information, and the second assessment reproduced the same income and deductions. Comparing the two recorded reasons and the exact appellate finding is therefore essential before applying this finality principle.

Later examination did not erase the recorded chronology — The notice issued on 2 June 1973 preceded production of earlier books on 4 June. The appellate reasoning stressed the absence of verified material when belief was formed. The case illustrates why the timing and substance of the original jurisdictional basis matter, rather than only the additions ultimately computed.

Keep the holding tied to repetition of the same factual basis — The Court's adopted authority prohibits reopening on the same facts to circumvent a final finding. It does not decide every possible later proceeding founded on genuinely different information. Nor does this jurisdictional result adjudicate the commercial correctness of every underlying item; it sustains cancellation of this repeated reassessment.

Source: PDF p.2

SOURCE & VERIFICATION

20070117_PHHC010215431990.pdf

Complete source PDF reviewed: 7 physical pages.

All 7 original pages read and visually inspected; all five panels audited.

Open cited source rendition

All seven pages read and visually inspected. Source p.2 calls the books financial year 1969-70; the quoted appellate order on p.3 specifies FY 1968-69 relevant to AY 1969-70. Assessment year is consistently 1969-70 in the recorded notice.

STATUTORY SCOPE

Historical reassessment provisions for AY 1969-70; no current-law clearance.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment has not been independently verified.

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.

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