Chatturam Horilram Ltd. v. Commissioner of Income-tax, Bihar and Orissa

Civil Appeal 38 of 1954

[1955] 2 SCR 290 | 1955-04-18

Historical section 34 reopening after retrospective extension of the Finance Act

Income-tax Act 1922, sections 3, 4, 6, 34(1) as amended in 1939 | Bihar Regulation IV of 1942

3-judge bench | Vivian Bose | Jagannadhadas | Sinha

Historical statutory scope and outcome limits

The cash-credit/secret-profit merits were not referred and were not adjudicated. Historical statutory setting; no later-treatment or current-law clearance is claimed.

01 FACTS OF THE CASE

An assessment failed because the 1939 Finance Act had not applied in Chota Nagpur. A 1942 regulation retrospectively extended it; after the High Court confirmed invalidity of the earlier assessment, Revenue issued a fresh section 34 notice on 12 February 1944.

Source: Primary report: SCR 291–294

02 DISCUSSION BY THE HON'BLE COURT

The regulation and court decision were objective new information about escapement, not mere changed opinion. Chargeability existed under the statutory scheme and retrospective enactment. Earlier proceedings that failed for this legal lacuna amounted to escapement; retrospectivity did not itself revive an assessment already set aside without express language.

Source: Primary report: SCR 294–302

03 JUDICIAL DECISION

Fresh notice valid; assessee’s appeal dismissed with costs.

Source: Primary report: SCR 302

04 OUTCOME / IN WHOSE FAVOUR

Revenue succeeded.

Source: Primary report: SCR 302

05 AKHB REVIEW POINT

Read discovery and escapement in the precise pre-1948 section 34 setting. The case distinguishes completed invalid proceedings from a still-pending original assessment and does not equate every non-assessment with escapement.

Source: Primary report: SCR 297–302

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SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

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Open cited source rendition

STATUTORY SCOPE

Historical predecessor legislation and the provisions expressly identified in this note. This is not a decision applying the Income-tax Act, 1961 or the Income-tax Act, 2025; verify any modern-law comparison independently.

LATER TREATMENT

Source checked 2026-10-23. Subsequent treatment and current-law applicability have not been comprehensively checked.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from an identified primary report. Independent human review is not represented.

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