Y. Narayana Chetty and Another v. Income-tax Officer, Nellore and Others

Civil Appeals Nos. 317–320 of 1957

[1959] Supp. 1 SCR 189 | 1958-10-15

Historical interpretation: Indian Income-tax Act, 1922: sections 23, 26A, 34(1)(a), 59, 63(2)

Indian Income-tax Act, 1922: sections 23, 26A, 34(1)(a), 59, 63(2) | Income-tax Rules: rule 6B | Constitution: Article 226

3-judge bench | T. L. Venkatarama Aiyar | P. B. Gajendragadkar | A. K. Sarkar

Historical statutory scope and source qualifications

Actual notice and hearing were conceded; a case of cancellation without hearing was left open. The Court did not adjudicate the mixed registered/unregistered assessment merits. Historical legislation; current treatment has not been independently cleared.

01 FACTS OF THE CASE

Three registered firms were reopened after the officer concluded they were fictitious. Notices addressed to the firms were served on a partner, registration was cancelled after hearing, and revised assessments treated them as unregistered. Partners sought writs of prohibition.

Source: Primary report: SCR Supp. (1) 191–193

02 DISCUSSION BY THE HON'BLE COURT

Valid section 34 notice was a condition precedent, not merely procedural. But the firm was the relevant assessee and service on the partner satisfied the requirement in these circumstances. Rule 6B validly addressed non-genuine firms, unlike section 23(4), which penalised defaults by genuine firms.

Source: Primary report: SCR Supp. (1) 194–202

03 JUDICIAL DECISION

The notice and rule-validity objections failed. The complaint that original and additional income were inconsistently treated as registered and unregistered concerned assessment merits and was left for statutory proceedings.

Source: Primary report: SCR Supp. (1) 202–203

04 OUTCOME / IN WHOSE FAVOUR

All taxpayer appeals dismissed with costs. General preliminary objections concerning alternative remedies and writ jurisdiction were expressly not decided.

Source: Primary report: SCR Supp. (1) 203

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05 AKHB REVIEW POINT

Preserve the important rule that invalid or absent reassessment notice vitiates jurisdiction, while separately identifying the correct statutory assessee and valid mode of service. Do not report this case as invalidating the notices actually before the Court.

Source: Primary report: SCR Supp. (1) 194, 198, 202–203

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 15-page Supreme Court Reports scan. Any adjoining report fragments remain in the unchanged original and are excluded from this analysis.

Open cited source rendition

STATUTORY SCOPE

Historical legislation expressly identified in this note. This is not a decision under the Income-tax Act, 1961 or the Income-tax Act, 2025. Verify enacted wording, commencement, transition and subsequent judicial treatment independently before modern reliance.

LATER TREATMENT

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

AI DISCLOSURE

This AKHB research note uses AI assistance and a preserved full-primary review, with refreshed exact original-byte verification. Independent human review is not represented.

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