

## Sardar Baldev Singh v. Commissioner of Income-tax, Delhi & Ajmer

Civil Appeal No. 317 of 1955 — Single special-leave appeal from the Tribunal; failed reference proceedings are procedural background, not separately disposed Supreme Court appeals.

[1961] 1 SCR 482 | 1960-09-02

**A valid section 23A deemed dividend omitted from the relevant assessment had actually escaped assessment; section 34 could be used by the officer having current territorial jurisdiction under section 64.**

Indian Income-tax Act, 1922; section 34 as at 10 April 1948 and section 23A(1) as at 11 June 1947 | 1922 Act: 23A(1) | 1922 Act: 34 | 1922 Act: 22(2) | 1922 Act: 64(2) | 1922 Act: 64(3)

5 Judges | B. P. Sinha | Jafer Imam | A. K. Sarkar | K. Subba Rao | J. C. Shah

### 01 FACTS OF THE CASE

The Delhi officer could reassess the shareholder for the deemed dividend. Originally assessed in Lahore for 1944–45, Baldev Singh moved to Delhi after partition. A 1947 section 23A order treated undistributed company profits as dividends on 17 April 1943; his share was Rs. 4,74,370. Delhi issued a section 34 notice on 10 April 1948 and included that sum. The Court heard the appeal despite the failed reference application, whose delay had arisen from postal delivery; special leave had already been granted on full disclosure.

Source: [SCR 484–486; target passages only, shared-page exclusions in read bounds.](#)

### 02 DISCUSSION BY THE HON'BLE COURT

Sarkar J held that section 34 attracted the assessment machinery applicable to a section 22(2) notice, including section 64. Delhi residence supplied jurisdiction; the claim that assessment could occur only in Lahore was not merely a late objection between Indian places of assessment. Section 23A created one fiction: income existing on the specified past date. Once that fiction operated, omission from the assessment was actual escapement, requiring no second fiction. The Tribunal was wrong to purport to assess directly under section 23A, which supplied no assessment machinery. Entry 54 authorised ancillary anti-evasion legislation, supporting section 23A's validity.

Source: [SCR 487–496; target passages only, shared-page exclusions in read bounds.](#)

### 03 JUDICIAL DECISION

The section 34 reassessment was valid. Section 23A was within legislative competence as an anti-evasion measure; the Court expressly left undecided the broader contention that Entry 54 generally permitted taxing one person on another's income.

Source: [SCR 492–496; target passages only, shared-page exclusions in read bounds.](#)

### 04 OUTCOME / IN WHOSE FAVOUR

Assessee's appeal dismissed. Delhi's reassessment stood on section 34, not the Tribunal's section 23A assessment theory. Costs awarded to the Revenue.

Source: [SCR 496–496; target passages only, shared-page exclusions in read bounds.](#)

## 05 AKHB REVIEW POINT

Keep the deeming provision, assessment machinery and territorial jurisdiction analytically separate. The dates of the applicable statutory versions matter. This decision does not itself authorise reopening under later notice, approval or limitation rules.

Source: [SCR 488-492; target passages only, shared-page exclusions in read bounds.](#)

## ORIGINATING PROCEEDINGS

1.

**Case numbers:** Income-tax Appeal No. 807/1950-51

**Relationship:** Income-tax Appellate Tribunal, Calcutta Bench, judgment/order 18 October 1952.

## SOURCE & VERIFICATION

### Original reported Supreme Court judgment

15-page retained public-mirror SCR report. The complete report was read as text and page images. The acquisition URL is preserved provenance; current endpoint availability and authentication as a signed original are not newly verified. All 15 physical text and image pages personally read; SCR482-496. Target boundaries: physical PDF pages 1-15; SCR 482-496. Start: case caption at top of first page. End: final disposition at end of source. Entire 15-page source belongs to this case; no neighboring-case material. The underlying section 23A order's validity was not challenged; the constitutional challenge addressed legislative competence. The source's account of section 23A conditions at SCR 493 must not be converted into a fresh comprehensive statutory test.

### Open cited source rendition

Entire 15-page source belongs to this case; no neighboring-case material.

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The source's account of section 23A conditions at SCR 493 must not be converted into a fresh comprehensive statutory test.

## STATUTORY SCOPE

Indian Income-tax Act, 1922; section 34 as at 10 April 1948 and section 23A(1) as at 11 June 1947; 23A(1), 34, 22(2), 64(2), 64(3), Government of India Act, 1935, Seventh Schedule, List I, Entry 54

The official departmental section 147 page labelled 2026 conditions reassessment on sections 148-153. It is a separate procedural comparison; no equivalence between historic section 23A deemed distributions and a later dividend provision is verified here.

Section 279(1), Finance Act 2026 text, makes reassessment subject to sections 280-286. The historical dividend fiction is not imported.

Historical operative law remains separate from the specified later text. Tax-year applicability, unexamined statutory conditions, complete transition provisions and comprehensive later judicial history have not been verified.

Other provisions addressed: Government of India Act, 1935, Seventh Schedule, List I, Entry 54

**LATER TREATMENT**

Source checked 2026-10-08. No specific subsequent judicial treatment independently verified for this note.

The cited Govindarajulu, Lakshminarain Bhadani and Chatturam Horliram decisions are antecedent authorities; no specific later treatment verified.

Antecedent authorities are not subsequent treatment.

**IDENTIFIED SOURCE LINKS**[Income-tax Act, 1961 section 147](#)

Official departmental page labelled 2026 Full section 147/explanation, lines 63-64; version/headerlines 38-58. Capture hashes identify exact extracted tool-output bytes, not remotePDF bytes. No whole-source, image, current-applicability or exhaustive history claim.

[Income-tax Act, 2025 bounded provisions](#)

Official compilation as amended by Finance Act 2026 Versionlines 0-13; section 279(1), lines 15022-15027, physicalpp 371-372. Capture hashes identify exact extracted tool-output bytes, not remotePDF bytes. No whole-source, image, current-applicability or exhaustive history claim.

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