

S. C. Prashar, Income-tax Officer, Market Ward, Bombay and another v. Vasantsen Dwarkadas and others

Civil Appeal No. 705 of 1957

[1964] 1 SCR 29 | 1962-12-12

Historical section 34 reassessment notice, retrospective amendments and the 1959 validating provision

Indian Income-tax Act, 1922: section 34 | Indian Income-tax (Amendment) Act, 1953: section 31 | Finance Act, 1956: section 18 | Indian Income-tax (Amendment) Act, 1959: sections 2 and 4 | Constitution of India: Article 14

Five-judge bench; separate opinions by S. K. Das, J., J. L. Kapur, J. and A. K. Sarkar, J.; joint opinion by M. Hidayatullah and Raghubar Dayal, JJ. | S. K. Das, J. | J. L. Kapur, J. | A. K. Sarkar, J. | M. Hidayatullah, J. | Raghubar Dayal, J.

Closely divided and historically layered

The five judges gave separate or joint opinions across multiple connected reassessment appeals. The controlling result validating the lead notice did not rest on a single undifferentiated rationale on every constitutional issue.

No current reassessment clearance

Do not use this note as authority on the present reopening regime without checking current text and later precedent.

01 FACTS OF THE CASE

After the Tribunal held that business conducted in the name of Vasantsen Dwarkadas really belonged to Purshottam Laxmidas, the Income-tax Officer issued a section 34 notice on 30 April 1954 for assessment year 1942-43. Vasantsen and the firm challenged the notice as time-barred, beyond the Tribunal's permissible finding, and unconstitutional under Article 14.

Source: [Primary judgment: lead facts and challenge](#)

02 DISCUSSION BY THE HON'BLE COURT

The five judges analysed the successive 1948, 1953, 1956 and 1959 amendments, the distinction between substantive tax liability and statutory time bars, the second proviso to section 34(3), and Article 14. The majority result arose from Sarkar, J. joining Hidayatullah and Raghubar Dayal, JJ. in sustaining the notice, while their reasoning on the second proviso's constitutionality was not identical.

Source: [Primary judgment: separate and majority reasoning](#)

03 JUDICIAL DECISION

The controlling result was that the 1959 validating provision insulated the already-issued notice from challenge merely on expiry of the former time limit. Das and Kapur, JJ. dissented and would have held the notice beyond jurisdiction; Sarkar, J. also regarded the second proviso as invalid insofar as it affected persons other than the assessee, but treated the 1959 validation as sufficient for the lead notice.

Source: [Primary judgment: controlling result and divisions](#)

04 OUTCOME / IN WHOSE FAVOUR

In accordance with the majority, Civil Appeal No.705 of 1957 was allowed. Under the consent recorded in the High Court certificate, the appellants were directed to pay the first and second respondents' costs.

Source: [Primary judgment: operative order](#)

05 AKHB REVIEW POINT

AKHB analysis: treat this as a historical validating-statute case, not a general current rule that all expired reopening periods can be revived. Map the notice date, assessment year, statutory version and precise validation clause, and separate the majority result from the judges' divergent Article 14 reasoning.

Source: [Primary judgment: review-point basis](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

Complete 102-page SCR report read in page-preserving text and every page image inspected, covering the lead appeal, all separate opinions and the operative majority order; adjacent P. V. Godbole report begins only after the terminal page.

[Open cited source rendition](#)

Exact catalogue SHA-256 and 102-page count verified; the complete report was read and every source page image inspected.

STATUTORY SCOPE

The ruling concerns section 34 of the Indian Income-tax Act, 1922 and successive amending/validating Acts. These provisions and limitation regimes are historical.

LATER TREATMENT

Source checked 2026-10-12. No comprehensive later-treatment or present-law clearance is represented. This note reports a closely divided historical reassessment and validating-legislation ruling.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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General legal and tax research only; not legal or tax advice. Verify the complete judgment, governing statutory version and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.