

K. S. Rashid & Sons and Another v. Commissioner of Income Tax, U.P. and Others

Civil Appeals Nos. 37-40 and 589 of 1963; Writ Petitions Nos. 335-345 of 1960

[1964] 6 SCR 826 | 1964-02-19

Historical escaped-income procedure: section 34(1A) carried the Act's ordinary assessment, appeal and revision machinery and its wartime, high-value class survived the Article 14 challenge.

Indian Income Tax Act, 1922: sections 22, 23, 30-33B, 34(1) and 34(1A) | Constitution of India: Articles 14 and 32 | Taxation on Income (Investigation Commission) Act, 1947: sections 5(1) and 5(4), as historical background

5-judge Constitution Bench | P. B. Gajendragadkar, C.J. | K. N. Wanchoo, J. | K. C. Das Gupta, J. | J. C. Shah, J. | N. Rajagopala Ayyangar, J.

Assessment years: 1941-42, 1942-43, 1943-44, 1944-45, 1945-46, 1946-47

Historical closed class

Section 34(1A) addressed previous years falling wholly or partly between 1 September 1939 and 31 March 1946 and escaped income of at least Rs. 1 lakh; the classification holding is confined to that setting.

Procedure preserved by construction

The equality challenge failed because the Court construed 'thereupon' and 'accordingly' to carry ordinary assessment, appeal and revision provisions into section 34(1A) proceedings.

Additional appellant-specific issue

For Bhawani Prasad Girdharlal, the Court rejected a condition-precedent objection on the pleadings: recording of reasons was assumed and affirmatively asserted. It did not hold that the statutory proviso could be ignored.

Grouped matters

The report disposes of K. S. Rashid appeals and Article 32 petitions together with Civil Appeal No. 589 of 1963; the listed 1941-42 to 1946-47 years come from the Rashid proceedings.

01 FACTS OF THE CASE

K. S. Rashid & Son and partner Rashid Ahmad challenged section 34(1A) notices relating to income for 1941-42 through 1946-47, after the Allahabad High Court dismissed four writ petitions. They also filed eleven Article 32 petitions concerning notices dated 19 March 1956 and an excess-profits-tax order. Bhawani Prasad Girdharlal separately appealed against rejection of its writ challenge to notices dated 16 August 1955. The grouped matters presented the common question whether section 34(1A) was invalid under Article 14 (SCR pp.828-829; PDF pp.3-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court rejected the premise that omission from section 34(1A) of the precise section 34(1) phrase deeming a notice one under section 22(2) removed ordinary procedure and remedies. A section 34(1A) notice incorporated section 22(2) requirements; assessment or reassessment followed under the Act, and 'thereupon' and 'accordingly' confirmed application of sections 22, 23 and the appeal and revision provisions. Treating the officer as confined to vague inherent powers would have been irrational and contrary to the provision's history (SCR pp.829-835; PDF pp.4-10). The classification also survived Article 14: the targeted years covered the wartime profit period, and action required escaped income of Rs. 1 lakh or more. Those features bore a rational relation to recovering substantial escaped income. Any one-year overlap with section 34(1)(a) made no procedural or remedial difference (SCR pp.835-836; PDF pp.10-11). In Bhawani Prasad's appeal, the pleadings assumed recorded reasons and Revenue expressly affirmed them; the earlier demand for a copy was not pressed, so a new assertion that no reasons existed was rejected (SCR pp.836-837; PDF pp.11-12).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court held section 34(1A) valid and not contrary to Article 14. It dismissed all civil appeals and writ petitions in the group, with no order as to costs (SCR p.837; PDF p.12).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue/respondents. The decision sustained the challenged statutory route and notices against the arguments decided; it did not finally determine the amount of escaped income in each assessment (SCR pp.826-837; PDF pp.1-12).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: a procedural equality challenge must compare the full remedial structure after construing the provision, then test whether the statutory class and differential treatment connect rationally to the legislative object. Preserve the specified years, monetary threshold, notice dates, recorded-reasons condition and available appeals. This historical validation of section 34(1A) supplies no current reassessment clearance (based on SCR pp.829-837; PDF pp.4-12).

Source: [Primary judgment: reviewPoint](#)

SOURCE & VERIFICATION

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

Full 12-page SCR report read and checked. The editorial headnote was distinguished from the judgment text and operative order.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 12-page count match catalogue asset 1964_6_826_837; the full extracted report and operative pages were reviewed.

The source verifies Civil Appeals Nos. 37-40 and 589 of 1963; Writ Petitions Nos. 335-345 of 1960, the stated bench, issues, reasoning and operative result.

No published AKHB note or archived reviewed record with this source hash, case identity and operative decision was found.

STATUTORY SCOPE

The holding concerns section 34(1A) of the Indian Income Tax Act, 1922, enacted in 1954 for specified wartime escaped income and notices barred under the earlier limitation structure. It does not determine the validity, remedies or limitation rules of present reassessment law.

LATER TREATMENT

Source checked 2026-10-10. Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

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