

Banarasi Devi v. Income-Tax Officer, Calcutta

Civil Appeals Nos. 142 and 143 of 1963

[1964] 7 SCR 539 | 1964-03-31

Historical reassessment limitation: in section 4 of the 1959 Amending Act, a notice 'issued' included the completed process of service, validating section 34 notices served after the former eight-year limit.

Indian Income Tax Act, 1922: section 34(1)(a) and the proviso to section 34(3) | Indian Income-tax (Amendment) Act, 1959: section 4 | Finance Act, 1956: section 18(a) | General Clauses Act, 1897: section 27

3-judge bench | K. Subba Rao, J. | J. C. Shah, J. | S. M. Sikri, J.

Assessment years: 1947-48

Retrospective validating provision

The Court's wider reading of 'issued' was tied to section 4's purpose of reviving notices vulnerable under the pre-1956 eight-year rule; it is not a general definition for every notice provision.

Fiscal construction context

The Court applied strict construction because section 4 resuscitated barred claims, but still selected an accepted meaning of 'issued' that made the validating provision workable.

Combined appeals

The report identifies Civil Appeals Nos. 142 and 143 of 1963 and narrates two appellants, although its reported caption names Banarasi Devi alone.

01 FACTS OF THE CASE

For assessment year 1947-48, the first appellant's original assessment ended with no tax payable and the second appellant was assessed on Rs. 28,993. Each received on 2 April 1956 a reassessment notice dated 19 March 1956. The notice dates fell within eight years from 31 March 1948, but service occurred after that period. Single-judge writ orders quashed the notices; while Revenue's appeals were pending, the 1959 Amending Act altered the statutory setting, and the Calcutta High Court Division Bench treated section 4 as saving the notices (SCR pp.540-541; PDF pp.2-3).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court first distinguished ordinary machinery provisions from section 4, which revived claims already barred under the prior limitation rule and therefore attracted strict fiscal construction (SCR pp.543-545; PDF pp.5-7). Yet 'issued' could mean the full process of sending and service. Section 34 itself fixed time for service, earlier judicial construction had equated 'issued' with 'served', and section 27 of the General Clauses Act illustrated overlapping statutory usage. Reading 'issued' merely as 'sent' would leave section 4 linked to no corresponding time limit and create anomalous results depending on the procedural stage when a challenge was brought (SCR pp.545-548; PDF pp.7-10).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court dismissed both appeals with costs and one hearing fee. It held that section 4 saved the notices: although served outside the former prescribed period, 'issued' in that validating provision bore the wider meaning covering service (SCR p.548; PDF p.10).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue/respondents. The operative result upheld the Division Bench's refusal to quash the reassessment notices; it did not adjudicate the appellants' underlying taxable income (SCR pp.540-541 and 548; PDF pp.2-3 and 10).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: for a notice-limitation dispute, identify the exact statutory version, the event to which time attaches, the dates of dispatch and service, and any retrospective validation clause. Banarasi Devi supports reading a historically targeted validation provision in its own setting; it does not replace current-law analysis of issuance, service, jurisdiction or reassessment safeguards (based on SCR pp.543-548; PDF pp.5-10).

Source: [Primary judgment: reviewPoint](#)

SOURCE & VERIFICATION

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

Full 10-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 10-page count match catalogue asset 1964_7_539_548; the full extracted report and operative pages were reviewed.

The source verifies Civil Appeals Nos. 142 and 143 of 1963, 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 construes section 34 of the Indian Income Tax Act, 1922 and a specific retrospective validating provision in the Indian Income-tax (Amendment) Act, 1959. It does not determine limitation, issuance or service under 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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