

# S. S. Gadgil, Income-tax Officer, Bombay v. Lal and Company

Civil Appeal No. 322 of 1963

[1964] 8 SCR 72 | 1964-04-30

**Reassessment time limits: a later extension did not revive the expired power to assess a statutory agent of non-residents without express words or clear legislative implication.**

Indian Income-tax Act, 1922: sections 34 and 43 | Finance Act, 1956: section 18 | General Clauses Act, 1897: section 5(3)

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

Assessment years: 1954-55

## No automatic revival

An extension does not itself revive an already expired power; the amending enactment must expressly or clearly imply that effect.

## Historical special time limit

The original one-year period concerned deemed agents of non-residents under section 43, not every assessment case.

## 01 FACTS OF THE CASE

Lal and Company carried on commission-agency business in Bombay. For assessment year 1954-55, the officer proposed to treat it as agent of 25 non-resident parties and issued a section 34 notice on 27 March 1957. The former one-year period had ended on 31 March 1956. Revenue relied on the Finance Act, 1956 extension to two years, effective from 1 April 1956. The Bombay High Court invalidated the notice and restrained action on the assessment (SCR pp.74-77; PDF pp.3-6).

Source: [Primary judgment: facts](#)

## 02 DISCUSSION BY THE HON'BLE COURT

The Court distinguished an extension affecting a still-open power from revival of a power already exhausted. Although no measurable time interval separated 31 March and 1 April 1956, the old and new periods did not overlap. Neither the commencement rule nor foreign re-enactment authorities supplied a legislative intention to revive the barred proceeding. Section 34 imposed a statutory restriction on the assessment machinery; tax liability could become enforceable again if a new law clearly conferred that jurisdiction, but section 18 supplied no such greater retrospective effect here (SCR pp.77-85; PDF pp.6-14).

Source: [Primary judgment: discussion](#)

## 03 JUDICIAL DECISION

The Court dismissed the officer's appeal with costs. The amendment did not authorise proceedings that had become barred before its commencement, and the 27 March 1957 notice therefore remained invalid (SCR pp.84-85; PDF pp.13-14).

Source: [Primary judgment: decision](#)

## 04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee/respondent on the authority to reopen. The Court did not decide whether the underlying non-resident income would otherwise have been taxable (SCR pp.84-85; PDF pp.13-14).

Source: [Primary judgment: outcome](#)

## 05 AKHB REVIEW POINT

AKHB analysis: prepare a dated statutory timeline for every reopening challenge, recording the assessment year, original expiry, amendment's effective date and notice date. Distinguish an extension of a surviving power from revival of an expired one, and examine express revival or transitional language rather than relying only on the amended numerical period. This is an analytical method, not current-law clearance (based on SCR pp.77-85; PDF pp.6-14).

Source: [Primary judgment: reviewPoint](#)

## SOURCE & VERIFICATION

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

Full 14-page SCR report read and checked. The editorial headnote was distinguished from the judgment text and operative order.

### [Open cited source rendition](#)

The source report contains 14 pages. Reporter headnotes and adjacent-case text are distinguished from the target judgment and operative order.

The primary source identifies Civil Appeal No. 322 of 1963, the stated bench, issues, reasoning and operative result.

### **STATUTORY SCOPE**

The ruling concerns the special statutory-agent time limit under the 1922 Act and the limited retrospectivity of the Finance Act, 1956. Current reassessment notices require separate examination of the applicable legislation, commencement provisions and subsequent treatment.

### **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.

### **AI DISCLOSURE**

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