

# Commissioner of Income-tax, Madras v. S. Raman Chettiar

Civil Appeal No. 1096 of 1963

[1965] 1 SCR 883 | 1964-10-27

**Reassessment procedure: a return filed before limitation expired in response to an invalid section 34 notice could operate as a valid section 22(3) return and could not be ignored when issuing a second notice.**

Indian Income-tax Act, 1922: sections 22(1), 22(2), 22(3), 23, 34(1)(a), 34(3) and 66(1) | Income-tax and Business Profits Tax (Amendment) Act, 1948: retrospective sanction requirement

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

Assessment years: 1944-45, 1945-46

## Return validity depended on timing and first-return status

The assessee had filed no earlier section 22 return and the first return arrived before the historical assessment deadline. The Court distinguished a case involving revised returns after earlier returns.

## Historical statutory framework

The ruling applies the repealed 1922 Act and a retrospective 1948 amendment; it should not be transposed automatically to current notice or return provisions.

## 01 FACTS OF THE CASE

The assessee Hindu undivided family had filed no section 22 returns for AYs 1944-45 and 1945-46. Notices under section 34 were issued on 3 April 1948 without Commissioner's sanction, before a retrospective amendment made such sanction necessary from 30 March 1948. The assessee filed its AY 1944-45 return on 4 September 1948 showing income below the HUF taxable limit, and the officer dropped that year's proceeding. In the AY 1945-46 appeal, the Tribunal attributed Rs.46,760 of property profit to AY 1944-45 and said the officer could take appropriate action. With sanction, a second section 34 notice issued on 27 February 1953 and led to an assessment of Rs.51,523. The High Court held that the first return could not be ignored and answered validity against Revenue.

Source: [Returns, notices, allocations and referred question: SCR pp.884-885 / PDF pp.2-3](#)

## 02 DISCUSSION BY THE HON'BLE COURT

Section 22(3) allowed a person who had not filed under section 22(1) or (2) to furnish a return before assessment. The Court rejected the proposed distinction between a voluntary return and one prompted by a notice: the subsection did not use that terminology, and the impelling cause did not prevent an otherwise valid and timely return from falling within it. Although the first section 34 notice was invalid, that did not automatically invalidate the return. Maharaja Pratap Singh was distinguished because earlier returns had already been filed there, so later responses could not be treated as first section 22(3) returns.

Ranchhoddas Karsondas supported the proposition that an existing valid return could not simply be ignored. The Court overruled R. K. Das & Co. to the extent it treated a return as bad solely because the initiating section 34 notice was bad.

Source: [Section 22\(3\), timing and rejection of the voluntary/non-voluntary distinction: SCR pp.886-887 / PDF pp.4-5](#); [Earlier-return distinction and effect of invalid notice on return: SCR pp.888-889 / PDF pp.6-7](#)

## 03 JUDICIAL DECISION

The return filed on 4 September 1948 was a valid section 22(3) return despite the invalid first section 34 notice. Revenue could not ignore it and proceed on the assumption that the assessee had failed to file a return. The referred question was answered in the negative and Revenue's appeal was dismissed with costs.

Source: [Return held valid and appeal dismissed: SCR p.889 / PDF p.7](#)

## 04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee. The second reassessment for AY 1944-45 was invalid because a timely first return already existed and could not be disregarded as merely the product of an invalid notice.

Source: [Operative negative answer and dismissal with costs: SCR p.889 / PDF p.7](#)

## 05 AKHB REVIEW POINT

AKHB analysis: separate the validity of a notice from the legal effect of a document filed in response. For a historical return issue, verify whether an earlier return already existed, whether the later filing independently met the statute's content and timing requirements, and whether any assessment remained pending. Do not assume that every filing generated by a defective notice is void; equally, do not apply this 1922 Act rule to current law without reviewing present provisions and later authority.

Source: [AKHB analysis based on the independent validity of the return](#)

## SOURCE & VERIFICATION

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

Full 7-page SCR report read and visually checked. The editorial headnote on PDF p.1 was distinguished from Sikri J.'s unnumbered judgment beginning on PDF p.2 and continuing through PDF p.7.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 7-page count match catalogue asset 1965\_1\_883\_889; every page was read as extracted text and inspected as a rendered image.

The judicial text verifies Civil Appeal No. 1096 of 1963, the three-member bench, the two assessment years and dismissal with costs.

No published AKHB record with this party identity, case number or source asset was found; a later note's discussion of Raman Chettiar is a citation, not a duplicate publication.

### **STATUTORY SCOPE**

The decision concerns returns and reassessment notices under the repealed Indian Income-tax Act, 1922, including a retrospective 1948 amendment. It does not state the treatment of returns or defective notices under current law.

### **LATER TREATMENT**

Source checked 2026-10-10. Comprehensive later treatment of section 22(3), invalid reassessment notices and the current return/reopening framework has not been checked; no current-law or citator clearance is represented.

### **AI DISCLOSURE**

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