

State of Uttar Pradesh v. Raja Yadvendra Dutt Dube

Civil Appeal No. 123 of 1965

[1966] 3 SCR 161 | 1965-12-17

Agricultural Income-tax: an invalid assessment and quashed notices could not support a fresh assessment outside statutory time limits.

U.P. Agricultural Income-tax Act, 1948: sections 2(6), 14(1)-(2), 15(1), 15(3), 16, 21, 22, 24 and 25

Three-judge bench; judgment delivered by J. C. Shah, J. | K. Subba Rao, J. | J. C. Shah, J. | S. M. Sikri, J.

Jurisdiction and limitation, not tax exemption

The Court recognised that tax had been lawfully due but held that this did not authorise fresh proceedings contrary to the statute.

Limited reference and historical statutory scheme

The Court decided the Board's power to direct fresh assessment on its existing findings. It did not reopen whether all the earlier orders had correctly been set aside; nor does this decide modern transfer or curative provisions.

01 FACTS OF THE CASE

The Sub-Divisional Officer assessed the respondent for account period 1355 Fasli although his gross agricultural income exceeded Rs.1 lakh. The Collector subsequently reassessed escaped income. The Commissioner set both assessments aside and directed fresh assessment; the Board considered the Commissioner unable to set aside the unappealed original order, but exercised its own revisional power to do so and directed fresh assessment according to law. The High Court answered against the Board's power to give that direction on 15 October 1952 in light of section 25. The State appealed.

Source: [SCR162G-163G / PDFpp.2-3](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 14 confined the Assistant Collector's assessment jurisdiction to gross agricultural income not exceeding Rs.1 lakh, while the Collector could assess all cases within his revenue jurisdiction. The officer could initially determine jurisdictional facts, subject to superior correction; once he found income above the threshold, the proceedings, including his special notice, were unauthorised unless that finding was set aside. The Act and Rules provided no transfer mechanism to the Collector. The Board's order necessarily quashed the original notice as well as the assessment. On this advisory reference the Court confined itself to the fresh-assessment question, not the correctness of the prior setting-aside orders.

Source: [SCR164A-168F / PDFpp.4-8](#)

03 JUDICIAL DECISION

A general section 15(1) notice, merely assumed because the record did not mention it, could not rescue a return filed in response to an invalid special notice after the resulting proceedings had been vacated. Nor could the Collector reuse his earlier section 25 notice, which was also deemed quashed. Fresh proceedings required a fresh, timely notice: section 15(3) within the assessment year, or section 25 within one year from its end under this statutory scheme. The Board's direction could not authorise assessment outside those limits.

Source: [SCR165E-166E and SCR168G-169F / PDFpp.5-6,8-9](#)

04 OUTCOME / IN WHOSE FAVOUR

The Supreme Court dismissed the State's appeal, affirming the High Court's negative answer to the reference. There was no order as to costs in either the Supreme Court or the High Court. The Court expressly observed that tax otherwise lawfully due could not justify fresh proceedings contrary to statute. No fresh-assessment remand was granted.

Source: [SCR169E-G / PDFp.9](#)

05 AKHB REVIEW POINT

AKHB analysis: distinguish gross-income jurisdictional thresholds from net taxable income, and reconstruct the effect of every appellate or revisional order on both the assessment and its initiating notice. Before relying on a prior return or notice, examine whether it survived and whether the governing law permits transfer, cure or fresh initiation. An order for fresh assessment is not itself an extension of limitation. Apply the historical rule only after separately checking today's enactment, statutory version, savings provisions and subsequent case law.

Source: [AKHB analysis based on SCR166B-D and SCR167C-169G / PDFpp.6-9](#)

SOURCE & VERIFICATION

Supreme Court Reports scan - public eSCR mirror

Complete 9-page SCR report read. Reporter headnote occupies PDFp.1 and most of p.2; judicial text begins at SCR162G / PDFp.2 and ends at SCR169G / PDFp.9. There are no numbered paragraphs; SCR page and column pinpoints are used.

Open cited source rendition

All 9 source pages were read, with reporter headnotes separated from the judgment. PDFpp.1,2,8,9 were visually checked; source hash, date, docket and bench match.

The headnote's isolated general-notice reference to section 14(1) is not followed: the judicial text and reproduced statute identify section 15(1). The original report is preserved unchanged.

STATUTORY SCOPE

The Rs.1 lakh jurisdictional threshold and the notice limits belong to the historical U.P. Agricultural Income-tax Act. They are not present central Income-tax jurisdiction or reassessment rules.

LATER TREATMENT

Source checked 2026-10-14. Historical agricultural Income-tax decision. No comprehensive subsequent-treatment, review, stay or present-law verification was performed.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 9](#)

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