

Commissioner of Wealth Tax, West Bengal v. Imperial Tobacco Co. of India Ltd.

Civil Appeals Nos. 1062 and 1063 of 1966

[1966] Supp. SCR 174 | 1966-04-15

Wealth-tax reassessment: conflicting High Court views on what constitutes information under section 17(b) raised a question of law requiring a reference.

Wealth Tax Act, 1957: sections 16(3), 17(b), 25(2), 27(1), 27(3) and 27(3A) | Indian Income-tax Act, 1922: section 34(1)(b) (pari materia comparison)

3-judge bench | K. N. Wanchoo, J. | J. C. Shah, J. | S. M. Sikri, J.

Assessment years: 1957-58, 1958-59

Reference ordered; reassessment merits not decided

The Court held that a referable question of law arose because High Courts differed. It did not hold that the two reassessments were substantively valid.

Repealed wealth-tax regime

The ruling concerns section 17(b) of the Wealth Tax Act, 1957 and section 34(1)(b) of the 1922 income-tax statute; it is not a statement of current reopening law.

01 FACTS OF THE CASE

Imperial Tobacco claimed provisions for contingencies as deductions from net wealth for AYs 1957-58 and 1958-59, and the Wealth-tax Officer initially allowed them. After a comparable claim was disallowed for 1959-60, the officer issued section 17(b) notices on 2 June 1960 and reassessed the two earlier years. The Tribunal set the reassessments aside because the department identified no later information in the officer's possession and the notices appeared to rest on a mere change of opinion. The Tribunal refused Revenue's section 27(1) applications, and the Calcutta High Court summarily refused to direct a reference.

Source: [Claims, reassessment notices, Tribunal finding and refused reference: SCR pp.175-176 / PDF pp.2-3](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court treated section 17(b) of the Wealth Tax Act as *pari materia* with section 34(1)(b) of the 1922 Income-tax Act. Maharajkumar Kamal Singh had established that information could include knowledge of the true state of the law and relevant judicial decisions, while leaving open whether an officer could reopen solely because the original decision was considered wrong without fresh external information. The judgment reviewed conflicting High Court approaches: some rejected mere change of opinion, while others allowed information found within the original record or a later discovery of legal error. Because that divergence directly affected the meaning of information in section 17(b), a question of law arose from the Tribunal's order and should have been referred. The Court did not choose among those approaches or decide whether the officer actually possessed qualifying information here.

Source: [Conflicting High Court approaches to information: SCR pp.177-178 / PDF pp.4-5](#); [Pari materia reasoning and conclusion that a question of law arose: SCR p.179 / PDF p.6](#)

03 JUDICIAL DECISION

The Supreme Court allowed both appeals, set aside the High Court's order and directed the Tribunal to state a case on the question proposed by Revenue. The Tribunal was left free to refer the matter to the High Court under section 27(1) or to the Supreme Court under section 27(3A). Costs in the Supreme Court were to abide the result of the reference.

Source: [Operative reference direction: SCR p.179 / PDF p.6](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue only on the procedural reference issue. Revenue obtained a direction that the legal question be referred, but no determination that the section 17(b) reassessments were lawful; that issue remained for the reference forum.

Source: [Appeals allowed with merits reserved for reference: SCR p.179 / PDF p.6](#)

05 AKHB REVIEW POINT

AKHB analysis: a successful appeal directing a reference is not a merits ruling validating reopening. For a historical section 17(b) file, separate (i) the threshold question whether a debatable question of law should be referred, (ii) the evidentiary question what information the officer actually possessed and when, and (iii) the eventual legality of reassessment. For any modern matter, identify the governing current provision and later binding authorities independently.

Source: [AKHB analysis based on the limited reference disposition](#)

SOURCE & VERIFICATION

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

Full 6-page SCR report read and visually checked. The editorial headnote on PDF p.1 was distinguished from Wanchoo J.'s unnumbered judgment beginning on PDF p.1 and continuing through PDF p.6.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 6-page count match catalogue asset S_1966_1_174_179; every page was read as extracted text and inspected as a rendered image.

The judicial text verifies Civil Appeals Nos. 1062 and 1063 of 1966, the three-member bench, the two assessment years and the limited reference direction.

No published AKHB record with this party identity, case numbers or source asset was found; incidental mentions of Imperial Tobacco in another land case are not duplicates.

STATUTORY SCOPE

This decision construes the repealed Wealth Tax Act, 1957 reassessment and reference provisions by comparison with section 34(1)(b) of the repealed Indian Income-tax Act, 1922. It does not establish the meaning of information or change of opinion under any current reopening regime.

LATER TREATMENT

Source checked 2026-10-10. Comprehensive later treatment of the information/change-of-opinion issue and current reopening provisions has not been checked; no current-law or citator clearance is represented.

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AI-assisted research. The AKHB Review Point is editorial analysis, not part of the Court's judgment.

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