

Commissioner of Income-tax, Punjab v. Daulat Ram Khanna

Civil Appeal No. 580 of 1966

[1967] 3 SCR 298 | 1967-03-29

Substituted notice service: alternative method ordered under Order V rule 20.

Indian Income-tax Act, 1922: sections 34, 63 and 66(1) | Code of Civil Procedure, 1908: Order V rule 20(1)

3-judge bench | J. C. Shah, J. | S. M. Sikri, J. | V. Ramaswami, J.

Assessment years: 1945-46

Ordered alternative service, not unrestricted affixture

The officer directed an alternative manner of service and verified compliance. The ruling does not excuse the statutory preconditions for substituted service or validate every notice pasted at an address.

01 FACTS OF THE CASE

A section 34 notice for AY 1945-46 was issued to an HUF on 29 March 1954. Ordinary service was unsuccessful. The officer directed affixture at its address and registered-post dispatch. Affixture occurred on 31 March; postal receipt was on 5 April. After examining the process server, the officer held affixture proper. The High Court invalidated it because no copy had been affixed at the tax office.

Source: [SCR pp. 298-299](#) / [PDF pp. 1-2](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 63 incorporated summons-service procedure. Order V rule 20(1) provided both the specified dual-affixture method and a discretionary alternative manner. Under the latter, office affixture was not invariably required, but the chosen method still had to give notice to the person served. The Court rejected Jhabar Mal Chokhani's contrary construction. It did not need to decide Revenue's separate argument based on the 1959 amendment and later service.

Source: [SCR pp. 300-301](#) / [PDF pp. 3-4](#)

03 JUDICIAL DECISION

Revenue's appeal was allowed, the High Court judgment set aside and the referred question of proper service within time answered affirmatively against the assessee. There was no order as to costs.

Source: [SCR p. 301 / PDF p. 4](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue on validity of the notice service in the circumstances proved. The decision was not a merits determination of the reassessed income.

Source: [SCR pp. 299-301 / PDF pp. 2-4](#)

05 AKHB REVIEW POINT

AKHB analysis: retain the failed-service report, the authority's substituted-service direction and proof of execution. Identify whether the prescribed dual-affixture route or a specifically ordered alternative was used. Do not rely on the judgment to cure absent procedural records or assume it resolves modern electronic-service requirements.

Source: [AKHB analysis based on SCR pp. 299-301 / PDF pp. 2-4](#)

SOURCE & VERIFICATION

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Full source read; page pinpoints used because judgment paragraphs are unnumbered. Exact original bytes match the catalogue SHA-256.

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STATUTORY SCOPE

This decision applies the Indian Income-tax Act, 1922 to the stated historical assessment years. Current statutory applicability and any Income-tax Act, 1961 or 2025 crosswalk are not determined.

LATER TREATMENT

Source checked 2026-10-10. Comprehensive subsequent treatment has not been verified; no current citator clearance is represented.

AI DISCLOSURE

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