

State of Assam & Anr. v. D. C. Choudhuri & Ors.

Civil Appeals Nos. 1537 to 1545 of 1968

[1970] 1 SCR 780 | 1969-08-07

Agricultural Income-tax: a general return notice alone did not initiate individual assessment proceedings; escaped-assessment notice and time limits controlled.

Assam Agricultural Income-tax Act, 1939: sections 19, 20(4), 23, 30 and 43(2)(a) | Indian Income-tax Act, 1922: sections 22, 23 and 34 (corresponding provisions) | Constitution of India: Article 226

Three-judge bench; judgment delivered by A. N. Grover, J. | J. C. Shah, Acting C.J. | V. Ramaswami, J. | A. N. Grover, J.

Historical Assam agricultural Income-tax ruling

Do not apply this three-year period automatically to present central Income-tax notices. The governing statutory version and any applicable savings provisions need separate verification.

Voluntary-return qualification

A return voluntarily filed before assessment could keep the case outside escaped assessment. The holding is not that every assessment must begin with an individual notice regardless of a valid return.

01 FACTS OF THE CASE

Former owners of the Martycherra Tea Estate and the company that acquired it challenged nine best-judgment agricultural Income-tax assessments. The High Court found that the requisite individual notices under section 19(2), or escaped-assessment notices under section 30, had not been served for the years in question. The State argued that publication of a general notice under section 19(1) already commenced proceedings, allowing best-judgment assessment under section 20(4) without the asserted time restriction. The record also described other correspondence and a return for a later year; those did not establish valid initiation for the challenged years.

Source: [SCR781D-784A / PDFpp.2-5](#)

02 DISCUSSION BY THE HON'BLE COURT

Sections 19, 20 and 30 were compared with sections 22, 23 and 34 of the 1922 Income-tax Act. A general statutory obligation to file a return did not itself initiate individual proceedings. If a return was voluntarily filed before assessment, the position could differ and no escaped-assessment question would arise on that basis. Where no return was filed and no individual notice served within the financial year, the income had escaped assessment. The Court also relied on section 43(2)(a), which gave an assessee a forum-choice right upon the first individual notice, reinforcing the importance of that notice.

Source: [SCR784B-788D / PDFpp.5-9](#)

03 JUDICIAL DECISION

For these no-return cases, assessment required due individual notice under section 19(2) in the financial year or valid initiation under section 30 within three years of that year's end. The State could not use best-judgment assessment to bypass those requirements. The difference in wording between section 20(4) and the corresponding central provision did not displace the governing principles; the differently worded East African legislation relied on by the State was distinguishable.

Source: [SCR786D-788D / PDFpp.7-9](#)

04 OUTCOME / IN WHOSE FAVOUR

All nine State appeals were dismissed with costs and one hearing fee. The High Court's quashing of the challenged assessment orders remained effective. The judgment did not order a fresh assessment or remand and did not determine present-day notice rules.

Source: [SCR788D-E / PDFp.9](#)

05 AKHB REVIEW POINT

AKHB analysis: reconstruct a separate notice-and-return chronology for each year. Distinguish a general publication, service of an individual notice, a voluntary return and an escaped-assessment notice. A best-judgment power does not by itself answer whether jurisdiction was validly initiated. Apply the actual statute and time limit, including later amendments and savings; do not transport this historical Assam period into current central Income-tax proceedings.

Source: [AKHB analysis based on SCR786D-788D / PDFpp.7-9](#)

SOURCE & VERIFICATION

Supreme Court Reports scan - public eSCR mirror

Complete 9-page SCR report read. Reporter headnote occupies PDFp.1 and the beginning of p.2. Judicial text begins at SCR781D / PDFp.2 and ends at SCR788 / PDFp.9. The judgment has no numbered paragraphs; SCR page and column pinpoints are used.

Open cited source rendition

All 9 source pages were read; PDFpp.1,2,8,9 were visually checked. Title, judgment date, bench, nine-appeal range and exact SHA-256 were verified.

The caption spells Choudhuri; parts of the narrative use Chaudhuri. These concern the same identified appeal group. No matching published or archived identity/hash was found.

SCR786G contains an isolated reference to escaped assessment within section 20; the reproduced provision at SCR785D-G and the holding at SCR787E-788A identify section 30. The source bytes are preserved without silent correction.

STATUTORY SCOPE

The three-year rule was section 30 of the historical Assam Agricultural Income-tax Act. It is not a current central Income-tax reassessment deadline. The Court expressly distinguished a voluntary return filed before assessment from the no-return/no-timely-notice situation.

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](#)

SHA-256: 609d7ca3a7c77333de02ce23e94d52f418dc35e46fa53e152ce108fd77674fb3

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