

Madhya Pradesh Industries Ltd. v. Income-tax Officer, Nagpur

Civil Appeals Nos. 2419 to 2421 and 2423 to 2425 of 1966

[1971] 1 SCR 266 | 1970-04-16

Historical reassessment jurisdiction: reviewability of the existence and relevance of reasons to believe.

Indian Income-tax Act, 1922: section 34(1)(a) | Constitution of India: Articles 226 and 227

3-judge bench; unanimous judgment delivered by K. S. Hegde, J. | J. C. Shah, J. | K. S. Hegde, J. | A. N. Grover, J.

Assessment years: 1953-54 and connected assessment years

Historical statutory setting

The ruling applies section 34 of the repealed 1922 Act; current reopening prerequisites, disclosure duties and remedies were not checked.

Fact and procedural limits

Apply the holding only within the facts, statutory text and procedural posture described in the primary report.

No current-law clearance

Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

01 FACTS OF THE CASE

The company had claimed selling-agent commission and said all material was before the original officer. Later notices asserted escaped income; after the writ challenged jurisdiction, Revenue did not produce the recording, report, sanction or an affidavit from the issuing officer (SCR pp.266-271; PDF pp.1-6).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The assessee may challenge existence, good faith and rational relevance of the belief, though not adequacy of reasons. Without the issuing officer's evidence or contemporaneous records, the Court had no basis to find the statutory jurisdictional belief (SCR pp.271-274; PDF pp.6-9).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court allowed the appeals, set aside the High Court order, quashed the section 34 proceedings and awarded one set of costs (SCR p.274; PDF p.9).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee: all challenged reassessment proceedings were quashed for unproved jurisdictional foundation (SCR pp.273-274; PDF pp.8-9).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: preserve and produce the contemporaneous reason record and sanction when jurisdiction is challenged; courts test rational connection, not merits sufficiency. Apply current statutory thresholds separately (based on SCR pp.272-274; PDF pp.7-9).

Source: [Primary judgment: review point](#)

SOURCE & VERIFICATION

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

Full 9-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 9-page count match catalogue asset 1971_1_266_274; every page was read and visually inspected.

The source verifies the stated case identity, bench, statutory issue and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment match was found in the published corpus or reviewed archive.

STATUTORY SCOPE

The ruling applies section 34 of the repealed 1922 Act; current reopening prerequisites, disclosure duties and remedies were not checked.

LATER TREATMENT

Source checked 2026-10-11. Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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General legal and tax research only; not legal or tax advice. Verify the original judgment, the governing historical statute and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.