

Hussain Bhai and Others v. Commissioner of Income-tax, Madras

Civil Appeal No. 1097 of 1967

[1971] Supp SCR 390 | 1971-04-16

Historical reassessment limitation and the limited saving effect of the Income-tax (Amendment) Act, 1959.

Indian Income-tax Act, 1922: section 34(1)(a) | Income-tax (Amendment) Act, 1959: section 4 | Finance Act, 1956: section 18

6-judge bench; unanimous judgment delivered by S. M. Sikri, C.J. | S. M. Sikri, C.J. | C. A. Vaidialingam, J. | G. K. Mitter, J. | K. S. Hegde, J. | A. N. Grover, J. | P. Jaganmohan Reddy, J.

Assessment years: 1948-49

Historical statutory setting

The ruling concerns repealed 1922 Act limitation and transitional amendments; it is not current reassessment-law clearance.

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

After an earlier reassessment was set aside, the officer issued a fresh July 1958 notice concerning a Rs.40,000 deposit for assessment year 1948-49. The High Court treated the notice as saved by the 1959 amendment (SCR pp.390-393; PDF pp.1-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 4 barred only the objection that time prescribed under the pre-1956 provision had expired; it did not erase every later limitation. Because the fresh notice was issued after the 1956 amendment and the escaped amount was below Rs.1 lakh, the applicable eight-year period had expired (SCR pp.393-396; PDF pp.4-7).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court set aside the High Court's judgment, answered for the assessee and awarded costs throughout (SCR p.396; PDF p.7).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee: the July 1958 reassessment notice was time-barred (SCR pp.395-396; PDF pp.6-7).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: read a saving clause by the exact defect it cures; it may preserve notices against one historical time bar without overriding later limits. Current transition and reassessment provisions need independent analysis (based on SCR pp.395-396; PDF pp.6-7).

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

SOURCE & VERIFICATION

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Full 7-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

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Exact source bytes, SHA-256 and 7-page count match catalogue asset S_1971_1_390_396; 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 concerns repealed 1922 Act limitation and transitional amendments; it is not current reassessment-law clearance.

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.