

Union of India and Others v. M/s. Rai Singh Deb Singh Bist & Anr.

Civil Appeal Nos. 2392 to 2403 of 1969 — Supreme Court appeal or expressly printed appeal group decided in this judgment and connected proceedings (full list below)

[1973] 3 SCR 102 | 1972-12-15

Revenue failed to establish jurisdiction under 1922 section 34(1)(a) when it withheld the recorded reasons and sanction material without adequate explanation and showed no relevant reopening material.

1922 Act: 34(1)(a)

2 Judges | K. S. Hegde | P. Jaganmohan Reddy

01 FACTS OF THE CASE

The assessee HUF, a forest contractor operating in Nepal, challenged notices reopening assessment years 1942-43 to 1953-54 under section 34(1)(a) of the Indian Income-tax Act, 1922. Its timely returns and books disclosed credits involving the karta's relatives. Those entries had been investigated, and the assessee's explanation had substantially succeeded on appeal. Assessments for 1943-44 to 1949-50 followed an October 1954 settlement. The Delhi High Court quashed the later reopening notices. In Revenue's twelve appeals, the central question was whether the jurisdictional basis for issuing them had been established.

Source: [SCR 103F-104C](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court required reason to believe both that taxable income had escaped assessment and that the escape resulted from the assessee's failure to disclose material facts fully and truly. Recorded reasons and the Board's satisfaction mattered to jurisdiction; a vague feeling and mechanical approval were insufficient. The assessee repeatedly sought production of the officer's report and the Board's order. Revenue said the Board's records were untraceable, but gave no explanation for withholding the corresponding copies in the officer's file. The Court drew an adverse inference that these documents would not support Revenue. The assertion concerning a later sale of land for Rs 47 lakh did not establish the necessary material before the officer when the notices issued.

Source: [SCR 104C-106C](#)

03 JUDICIAL DECISION

The Court concluded that the facts necessary to confer reopening jurisdiction had not been established. Nothing on the record showed relevant material supporting a belief that income had escaped because the assessee failed to make a full and true disclosure. It therefore upheld the quashing of the notices without deciding the underlying cash-credit controversy afresh.

Source: [SCR 105G-106C](#)

04 OUTCOME / IN WHOSE FAVOUR

Revenue's appeals dismissed with costs; one hearing fee. The Delhi High Court's order quashing the section 34(1)(a) notices remained effective.

Source: [SCR 106C and final disposal](#)

05 AKHB REVIEW POINT

Obtain the actual contemporaneous reasons, supporting material and approval record before assessing a legacy reopening challenge. The adverse inference here depended on repeated requests and the unexplained failure to produce available departmental copies, not merely a missing central file. The judgment does not determine modern statutory notice, disclosure or approval procedures.

Source: [SCR 104C-106C; bounded editorial application of the jurisdiction and record-production reasoning; OfficialHTML 38-64:Year 2026 identity, whole 147 and Explanation.; OfficialHTML 38-81:Year 2026 identity, whole 148\(1\)-\(3\), provisos and footnotes 75-76.; OfficialHTML 40-70:Year 2026 identity, whole 151 and substitution annotation.; Personally read complete official 1961 Year 2026 sections 147,148\(1\)-\(3\) with provisos/footnotes 75-76, and 151 with annotation, atHTML 38-81/40-70. Personally read entire 2025 Act 279-285, physical 371-376/web 15023-15188, in retained officialFA 2026 web capture. Superseded 283 footnote text distinguished from current body. No full 148A/149/150/152/153/286 read claimed.](#)

APPEAL AND PROCEEDING NUMBERS

Civil Appeal Nos. 2392 to 2403 of 1969 — Supreme Court appeal or expressly printed appeal group decided in this judgment / Civil Writ Nos. 67 to 78 of 1968 — Originating High Court appeal/reference docket; not an additional Supreme Court appeal

SOURCE & VERIFICATION

Original reported Supreme Court judgment

5-page retained public-mirror SCR report. The complete report was read as text and page images. The acquisition URL is preserved provenance; current endpoint availability and authentication as a signed original are not newly verified.

Open cited source rendition

The OCR reads the last reporter page as 108; the image clearly prints 106.

The headnote contains an erroneous section 31(a) reference and omits "no" before "reason was given"; the judicial reasoning at SCR 105 controls.

STATUTORY SCOPE

Indian Income-tax Act, 1922; 34(1)(a)

Personally read official Year 2026 sections 147,148 and 151 now state a reassessment/notice scheme using statutory information suggesting escaped assessment and specified approval authorities. These are differently worded provisions from the 1922 conditions decided here. The surrounding 147-153 family was not comprehensively read.

Bounded counterparts are 147→279, reassessment;148→280, notice/information;151→284, specified authority. Complete 279-285 were read in the FA 2026 compilation, including current 283 rather than its superseded footnote. These comparisons do not decide a modern notice or transplant old limitation periods; applicable tax-year and savings analysis remain separate.

qualified; present applicability is not certified

LATER TREATMENT

Source checked 2026-10-07. No later judicial-use passage is adopted for this note. That is a limit of this review, not a statement that later treatment does not exist.

Comprehensive subsequent history and present-law applicability are not certified.

IDENTIFIED SOURCE LINKS

[Income-tax Act,1961: 147](#)

Official displayedYear 2026 OfficialHTML 38-64:Year 2026 identity, whole 147 and Explanation. New personal bounded read of retained official web text. Not a full 147-153 crosswalk or current applicability/savings certification; no raw web-source hash/images claimed.

[Income-tax Act,1961: 148](#)

Official displayedYear 2026 OfficialHTML 38-81:Year 2026 identity, whole 148(1)-(3), provisos and footnotes 75-76. New personal bounded read of retained official web text. Not a full 147-153 crosswalk or current applicability/savings certification; no raw web-source hash/images claimed.

[Income-tax Act,1961: 151](#)

Official displayedYear 2026 OfficialHTML 40-70:Year 2026 identity, whole 151 andsubstitutionannotation. New personal bounded read of retained official web text. Not a full 147-153 crosswalk or current applicability/savings certification; no raw web-source hash/images claimed.

[Income-tax Act,2025: 279-285](#)

FA 2026 compilation Personally read complete official 1961 Year 2026 sections 147,148(1)-(3) with provisos/footnotes 75-76, and 151 with annotation, atHTML 38-81/40-70. Personally read entire 2025 Act 279-285, physical 371-376/web 15023-15188, in retained officialFA 2026 web capture. Superseded 283 footnote text distinguished from current body. No full 148A/149/150/152/153/286 read claimed. New personal bounded read of retained official web text. Not a full 147-153 crosswalk or current applicability/savings certification; no raw web-source hash/images claimed.

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