

Baburao alias P. B. Samant v. Union of India & Others

Writ Petition No. 63 of 1977

[1988] 2 SCR 431 | 1987-12-17

Historical validity of the Finance Act, 1976 and its Income-tax and Wealth-tax rates after the Lok Sabha's duration was extended while two Emergency Proclamations remained in force.

Finance Act, 1976: validity and rates for assessment year 1976-77 | Income-tax Act and Wealth-tax Act: assessment year 1976-77 | Constitution of India: articles 83(2), 118, 352, 364 and 366(18)-(19) (historical text considered) | Indian Evidence Act, 1872: sections 56, 57, 74 and 78

Two-judge bench; judgment delivered by E. S. Venkataramiah, J. | E. S. Venkataramiah, J. | K. N. Singh, J.

Historical emergency and tax-rate framework

This note records the Court's 1987 ruling on the historical Finance Act, 1976 and the constitutional provisions then in issue. It is not a current-law statement about emergency procedure, tax rates or later constitutional amendments.

01 FACTS OF THE CASE

For assessment year 1976-77, Baburao was liable to income-tax and wealth-tax at rates prescribed by the Finance Act, 1976. That Act was passed after Parliament extended the Lok Sabha's duration under article 83(2) while the 1971 external-emergency and 1975 internal-emergency Proclamations were in operation. He challenged both Proclamations, the extension Act and the Finance Act, principally arguing that the parliamentary approval resolutions were ineffective because they were not published in the Official Gazette.

Source: [Primary judgment: taxpayer's challenge, Proclamations and Finance Act / PDF pp. 4-12](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court treated Waman Rao as binding on the validity of the two Proclamations because no new material justified reopening that conclusion. It then held that article 352 did not require approval resolutions to be gazetted. Parliamentary rules required official reports of each House, and the Evidence Act required judicial notice of parliamentary proceedings and recognised the published debates as proof. Publication in the Lok Sabha and Rajya Sabha Debates, despite a short delay, was adequate; the approval resolutions therefore kept both Proclamations in force until their formal revocation in March 1977.

Source: [Primary judgment: validity, publication and Evidence Act reasoning / PDF pp. 12-25](#)

03 JUDICIAL DECISION

Because both Emergency Proclamations were in force when Parliament enacted the House of the People (Extension of Duration) Act, 1976, that extension was valid. The Lok Sabha therefore validly passed the Finance Act, 1976 during the extended term, and the taxpayer's challenge to the Act and its historical Income-tax and Wealth-tax rates failed.

Source: [Primary judgment: final constitutional and Finance Act holdings / PDF pp. 24-25](#)

04 OUTCOME / IN WHOSE FAVOUR

The writ petition was dismissed, with no order as to costs. The Union of India prevailed and the Finance Act, 1976 was not invalidated.

Source: [Primary judgment: operative dismissal / PDF p. 25](#)

05 AKHB REVIEW POINT

AKHB analysis: the case is a narrow validity decision, not an assessment-computation authority. For historical disputes based on the competence or duration of the law-making body, isolate the enabling constitutional text, the formal approval record, the applicable evidence rules and the exact enactment date before addressing any tax calculation. Do not use the decision as a current statement of article 352 procedure or current tax rates; later constitutional and tax-law changes require separate verification.

Source: [Primary judgment underlying the AKHB analysis / PDF pp. 4-25](#)

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(reported judgment\)](#)

Identified source rendition: 25 PDF pages; SHA-256

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Reporter headnote occupies physical pages 1-3/SCR 431-434. The judgment delivered by E. S.

Venkataramiah, J. begins on physical page 4/SCR 434 and ends on physical page 25/SCR 455. The complete report was read.

[Open cited source rendition](#)

The complete 25-page report was read, separating the reporter headnote from the judicial opinion on physical pages 4-25; source hash and page count match the frozen catalogue.

The published collection, archived release files, register matches and whole-file source hashes disclosed no existing judgment identity match.

The taxpayer challenged the Finance Act's validity through the validity and continuation of the Emergency Proclamations; the Court did not compute taxable income or revisit the merits of any assessment item.

STATUTORY SCOPE

The Court considered the Finance Act, 1976, the then text of articles 83 and 352 and the rates applicable for assessment year 1976-77. Later constitutional amendments and later tax legislation are outside this note. The decision does not determine a present-day rate or independently compute the petitioner's income-tax or wealth-tax liability.

LATER TREATMENT

Source checked 2026-10-14. not_verified. No comprehensive citator search or later-treatment review was performed. The decision is recorded in its 17 December 1987 constitutional and statutory setting; no claim is made that the constitutional text, emergency-approval procedure, Finance Act provisions, rates or assessment framework remain unchanged.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 25](#)

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