

Commissioner of Income Tax, Shillong v. Tarajan Tea Co. (P) Ltd.

Civil Appeal No. 1941 of 1993

[1999] 1 SCR 396 | 1999-02-04

Whether reopening could survive under either pre-1 April 1989 limb of section 147 where all material particulars were already available and the supposed information was an Appellate Assistant Commissioner's order in another tea company's case.

147(a) and 147(b), as applicable before 1 April 1989 | 139 | 148 | 144B (procedural question recited; not separately decided) | 153 (limitation question recited; not separately decided)

Two-judge bench | M. Srinivasan, J. | U.C. Banerjee, J.

Assessment years: See the source-scope notes; no year inferred.

Pre-1989 reopening only; conversion question expressly left open

Reopening failed on this record under the old section 147(a)/(b) conditions. The Court did not decide conversion without fresh notice, independent section 144B/153 questions or the merits of tree-sale taxation. Assessment years and amounts are not stated, and the source's 1976 notice/1977 reasons chronology is unreconciled. A single-page historical check confirms the 1989 substitution boundary; current reassessment law and comprehensive later treatment remain unverified.

01 FACTS OF THE CASE

The assessee had originally been assessed on information it supplied, with no necessary particulars left out. The Income Tax Officer later reopened the assessment after an Appellate Assistant Commissioner in another tea company's case treated standing-tree sale receipts as revenue receipts. The officer initially invoked section 147(a), then concluded that it could not support the proceeding and converted it to section 147(b) (paragraphs 2–3, physical pages 2–3/SCR 397–398).

The Appellate Assistant Commissioner set aside the reassessment. On Revenue's appeal, the Tribunal permitted the officer to proceed afresh under section 144B. The Gauhati High Court answered the reference for the assessee and set aside the reassessment. Revenue appealed. The three referred questions covered reopening, conversion between the old limbs and the section 144B/153 procedural and limitation consequences. The report supplies neither the assessment years nor the amount of tree-sale proceeds or tax (paragraphs 1–3, physical pages 2–3).

Source: See the proposition-specific paragraph and PDF-page references below.

02 DISCUSSION BY THE HON'BLE COURT

The Court quoted the pre-1 April 1989 version of section 147. Clause (a) concerned escaped income attributable to a failure to file a return or fully and truly disclose material facts; clause (b) involved the officer's reason to believe arising in consequence of information in his possession despite the absence of that failure (paragraph 4, physical pages 3–4/SCR 398–399).

On this record, no relevant omission or failure by the assessee was established, and no necessary information had been obtained after the original assessment: the required information was already available. The Appellate Assistant Commissioner's order in the other case did not constitute information for this purpose. Consequently neither old limb sustained reopening (paragraph 5, physical page 4/SCR 399 B–C).

This conclusion made it unnecessary to decide whether a proceeding begun under section 147(a) could later be converted to section 147(b) without a fresh notice and fresh proceeding. That conversion question was expressly left open. The Court also made no independent ruling resolving section 144B procedure or section 153 limitation, and did not decide whether the assessee's tree receipts were capital or revenue on their merits (paragraph 6 and the referred questions, physical pages 2 and 4).

Source: See the proposition-specific paragraph and PDF-page references below.

03 JUDICIAL DECISION

Revenue's appeal was dismissed with no costs. The Court held the reopening and fresh assessment unsustainable and sustained the High Court's setting aside of the revenue authorities' view. It did not order a fresh reassessment or remand; the old-limb conversion question remained undecided (paragraphs 6–7, physical page 4/SCR 399).

Source: See the proposition-specific paragraph and PDF-page references below.

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee

Revenue appeal dismissed; reassessment held unsustainable; no costs

Final disposal on failure of the historical reopening conditions, not on substantive tree-receipt taxation

Applies the pre-1 April 1989 clauses on the particular record. Conversion between those clauses and separate section 144B/153 issues were not decided.

Source: See the proposition-specific paragraph and PDF-page references below.

05 AKHB REVIEW POINT

Test jurisdiction against the actual statutory version, recorded reasons and information already held at the original assessment. A different result reached in another taxpayer's case is not, without more, a new factual foundation for reopening this taxpayer on the record here. This is not a ruling that every later appellate decision can never be relevant information under every reassessment regime.

Do not cite the result as a Supreme Court prohibition on conversion from old clause (a) to clause (b), or as a merits exemption for standing-tree receipts. A bounded historical check of the Department-hosted 2011 compilation, physical page 720 and footnote 71, confirms substitution of section 147 with effect from 1 April 1989. That single-page check does not review the full substituted provision, later amendments or current reassessment law.

Source: See the proposition-specific paragraph and PDF-page references below.

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity, bench, appeal and source synopsis

Source url: [Open cited source](#)

Pdf pages: 1

Paragraphs: Unnumbered judicial text

Source role: reported metadata

2.

Topic: Three questions and unreconciled procedural dates

Source url: [Open cited source](#)

Pdf pages: 2

Paragraphs: Paragraph 1

Source role: judicial text

3.

Topic: Disclosure, other-company decision and procedural history

Source url: [Open cited source](#)

Pdf pages: 2; 3

Paragraphs: Paragraphs 2–3

Source role: judicial text

4.

Topic: Express pre-1989 statutory text and failure of both limbs

Source url: [Open cited source](#)

Pdf pages: 3; 4

Paragraphs: Paragraphs 4–5

Source role: judicial text

5.

Topic: Conversion left open, final result and costs

Source url: [Open cited source](#)

Pdf pages: 4

Paragraphs: Paragraphs 6–7

Source role: judicial text

6.

Topic: Bounded statutory-history check: section 147 substitution date

Source url: [Open cited source](#)

Pdf pages: 720

Paragraphs: Opening of section 147 and footnote 71; printed 1.679

Source role: historical statutory compilation

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Order of the Court; individual author not specified

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SPECIFIED LATER STATUTORY SOURCES AND LIMITS OF THE CHECKS

1.

Status: bounded historical statutory check only

Proposition: Footnote 71 records substitution of section 147 by the Direct Tax Laws (Amendment) Act, 1987 with effect from 1 April 1989.

Sources: [https://dor.gov.in/files/acts_files/IT%20Act%20\(English\)_0.pdf#page=720](https://dor.gov.in/files/acts_files/IT%20Act%20(English)_0.pdf#page=720)

Checked at: 2026-10-04T15:40:10.870898+00:00

Limits: Only physical page 720 was read; the continuing substituted section, later amendments, judicial treatment and 2025 mapping were not reviewed.

SOURCE & VERIFICATION

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

Identified source rendition: 4 PDF pages; SHA-256

92990378f19a07f91ef79cb0356c6813701bca1e038d4bbebe2d26743c045bd3. Original bytes preserved.

Complete numbered judicial order, paragraphs 1–7, physical pages 2–4/SCR 397–399; page 1/SCR 396 contains the title, bench, appeal metadata, editorial synopsis and order introduction.

[Open cited source rendition](#)

No assessment year, proceeds amount or tax quantum is specified; the 1976/1977 procedural dates do not justify inventing one.; The first referred question prints recorded reasons dated 31 March 1977; the second prints a notice under section 148 dated 31 December 1976. The source does not reconcile that chronology, and this note does not reconstruct it.; The narrative initially associates the officer's information theory with section 147(a); the quoted historical text places the information limb in section 147(b). The Court's actual conclusion is that neither applies on the record.; The Supreme Court expressly leaves conversion without fresh notice undecided, notwithstanding the High Court's observation about quashing conversion.; The standing-tree characterization in another company's case is a reopening trigger in the narrative, not the Supreme Court's substantive tax holding in this appeal.

The relevant assessment year or years are not stated in the bounded judicial text; none is inferred from notice/reasons dates.

STATUTORY SCOPE

No automatic mapping to the Income-tax Act, 2025 or present-law certification. Apply the statutory text and Rules for the relevant year.

LATER TREATMENT

Source checked 2026-10-04. Comprehensive subsequent judicial and statutory treatment has not been verified. Only the separately identified bounded statutory-version checks have been performed; no current-law certification.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 4](#)

SHA-256: 92990378f19a07f91ef79cb0356c6813701bca1e038d4bbebe2d26743c045bd3

[official department hosted historical statutory compilation - PDF pages: 1251](#)

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

AI DISCLOSURE

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