

R. Dalmia v. Commissioner of Income Tax

Civil Appeal Nos. 4913–4926 of 1992

[1999] 1 SCR 454 | 1999-02-05

Whether historical section 144B applied to section 147 assessments/reassessments, permitting the corresponding limitation exclusion under section 153.

144B (historical draft/IAC procedure) | 147 | 148 | 153, Explanation 1(iv) (historical) | 151

Two-judge bench | S.P. Bharucha, J. | N. Santosh Hegde, J.

Assessment years: 1947-48, 1948-49

Old draft/IAC provision; no automatic 180-day extension

This decision concerns historical section 144B, recorded as omitted from 1 April 1989, and its specific section 153 exclusion. It does not construe modern faceless assessment or grant a fixed extra 180 days in every case. The source's High Court-treatment labels and one section 139 reference conflict. Fourteen appeals were dismissed with unquantified costs; current law and comprehensive later treatment remain unverified.

01 FACTS OF THE CASE

Fourteen certificate appeals concerned old AYs 1947-48 and 1948-49 but later proceedings expressly taken under the 1961 Act. Notices in 1964/1965 were followed by long High Court stays; after the stays ended, draft orders under section 144B and final assessments were made in 1978/1979. The report describes two groups, without assigning every individual appeal to a particular year (physical pages 2–3).

The Tribunal held the assessments time-barred because it treated section 144B as unavailable in section 147 proceedings. The Delhi High Court disagreed on references concerning applicability, procedure and limitation. The assessee challenged the use of the additional statutory period (physical pages 2–4).

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

02 DISCUSSION BY THE HON'BLE COURT

Historical section 148 directed application of the assessment machinery, so far as appropriate, following the return notice. Section 144B's draft-order and Inspecting Assistant Commissioner procedure was procedural and protected the assessee against specified prejudicial variations. It fitted that machinery and was not excluded simply because the assessment followed reopening rather than an original return (physical pages 4–10).

Sanction to reopen under section 151 and supervision of a proposed adverse variation served different purposes; differing ranks did not make the latter procedure inapplicable. If that safeguard applied, the corresponding section 153 exclusion applied too. The quoted exclusion was the specified period, capped at 180 days, or thirty days in the no-objection situation, rather than an automatic 180-day addition in every case. Sun Engineering and Modi Industries were discussed without collapsing their different issues into this procedural question (physical pages 8–12).

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

03 JUDICIAL DECISION

All fourteen assessee appeals were dismissed with costs. The Court held historical section 144B applicable to section 147 assessments/reassessments, and the associated section 153 exclusion available. No costs amount, fresh tax computation or remand was stated (physical page 12).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue

Fourteen assessee appeals dismissed with costs

Final historical procedure/limitation ruling

Not a universal extra 180 days, not a decision on current faceless section 144B, and not a reopening of the old underlying tax merits.

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

05 AKHB REVIEW POINT

Match the section's version and function before applying its number. The case concerns a historical draft assessment referred to the IAC, with an associated limitation exclusion. The checked 2011 compilation records omission of that old section 144B from 1 April 1989. The decision cannot be used as if it construed a later provision bearing the same number.

For any historical calculation, verify the actual draft-forwarding and directions dates, objections, stays and applicable cap; the judgment's shorthand about an extended period is not a substitute for the quoted statutory formula. Its 1961 Act procedural issue remains distinct from the much older assessment years and the underlying income computation.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity, fourteen appeals and grouped historical years

Source url: [Open cited source](#)

Pdf pages: 1; 2; 3

Paragraphs: Unnumbered judicial text

Source role: reported metadata and judicial text

2.

Topic: Referred questions and historical statutory machinery

Source url: [Open cited source](#)

Pdf pages: 3; 4; 5; 6; 7

Paragraphs: Unnumbered judicial text

Source role: judicial text

3.

Topic: Section 148 application and distinct safeguards

Source url: [Open cited source](#)

Pdf pages: 8; 9; 10; 11

Paragraphs: Unnumbered judicial text

Source role: judicial text

4.

Topic: Final applicability holding and dismissal with costs

Source url: [Open cited source](#)

Pdf pages: 12

Paragraphs: Unnumbered judicial text

Source role: judicial text

5.

Topic: Omission of old draft-reference section 144B

Source url: [Open cited source](#)

Pdf pages: 716

Paragraphs: Section 144B historical omission entry and footnote 62

Source role: bounded historical statutory text

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

S.P. Bharucha, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SOURCE & VERIFICATION

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

Identified source rendition: 12 PDF pages; SHA-256

cc7f93f820b3d3c29e4ea16416c60fd47cbb491253d3dd31b32ef89670ba6d53. Original bytes preserved.

Complete unnumbered judicial text physical pages 2–12/SCR 455–465, including historical statutory quotations; editorial precedent labels distinguished.

[Open cited source rendition](#)

The report gives fourteen appeal numbers but narrates only grouped assessment histories. No individual year/order allocation is invented.; The headnote's approval/disapproval labels for High Court decisions conflict with the judicial account of which courts took which position on physical pages 3–4. The note relies on the Supreme Court's own construction and does not assign broad precedent-treatment labels from that inconsistent account; One judicial paraphrase on page 8 prints section 139(3), whereas the reproduced section 148 and the later application expressly use section 139(2). The source discrepancy is not imported into the operative analysis.; The source discusses an up-to-180-day exclusion and a separate thirty-day no-objection period. It does not award a uniform 180-day extension regardless of the actual procedure.; The historical section 144B is a different legislative setting; current faceless-assessment requirements and limitation rules are not reviewed.

STATUTORY SCOPE

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

LATER TREATMENT

Source checked 2026-10-04. Comprehensive subsequent judicial and statutory treatment has not been verified. Only the expressly identified bounded comparisons have been checked. No current-law or Income-tax Act, 2025 mapping is certified.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 12](#)

SHA-256: cc7f93f820b3d3c29e4ea16416c60fd47cbb491253d3dd31b32ef89670ba6d53

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

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

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AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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