

GKN Driveshafts (India) Ltd. v. Income Tax Officer and Ors.

Civil Appeal Nos. 7731, 7732, 7733-7734, 7735, 7736 and 7737 of 2002

[2002] Supp. 4 SCR 359 | 2002-11-25

The appropriate procedural course after a historical section 148 notice, where the High Court had dismissed the challenge to sections 148 and 143(2) notices as premature.

148 | 143(2)

2-judge bench | Syed Shah Mohammed Quadri, J. | Arijit Pasayat, J.

Assessment years: 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 1998-99

Historical notice and objections procedure

GKN concerns the reassessment framework in force when decided in 2002. Its return, reasons and objections sequence must not be presented as a complete statement of the post-2021 reassessment procedure.

01 FACTS OF THE CASE

GKN challenged notices under sections 148 and 143(2). The Delhi High Court dismissed the writ petition on the basis that objections could be raised in reply to the notices and that the writ challenge was premature. Seven assessment years were originally involved. During the appeals, assessments for 1995-96 and 1996-97 were completed and challenged before the Commissioner (Appeals); the notices for 1992-93, 1993-94, 1994-95, 1997-98 and 1998-99 remained before the Supreme Court. Reasons for those notices had been disclosed during the proceedings (unnumbered order, reported page 360).

Source: [reported judgment / paragraphs Unnumbered order, reported page 360, paragraphs beginning By the order and Mr. M.L. Verma / PDF pages 2 / judicial text](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court found no justification for interfering with the High Court's order, but clarified the procedure under the then section 148 framework. The noticee should file a return and may seek the reasons for the notice. The Assessing Officer must supply those reasons within a reasonable time. Once reasons are received, the noticee may object to the issuance of the notice, and the officer must decide the objections by a speaking order.

Because reasons had already been disclosed in this litigation, the operative direction was specific: if objections were filed for the five remaining assessment years, the officer had to decide them by a speaking order before proceeding with assessment. The Court did not decide whether the stated reopening grounds were substantively sufficient and did not quash the notices. For the two completed assessments, it required expeditious disposal of the pending appeals (unnumbered order, reported page 360).

Source: [reported judgment / paragraphs Unnumbered order, reported page 360, paragraph beginning We see no justifiable reason / PDF pages 2 / judicial text](#)

03 JUDICIAL DECISION

The civil appeals were dismissed with the stated observations and no costs. The High Court's refusal to entertain the premature writ challenge remained undisturbed; reasoned disposal of any objections before assessment was required for the five pending years, and the Commissioner (Appeals) was directed to dispose of the two assessment appeals expeditiously.

Source: [reported judgment / paragraphs Final three paragraphs of the unnumbered order, reported page 360 / PDF pages 2 / judicial text](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue on dismissal of the writ-stage appeals; assessee received the specified procedural safeguards

Civil appeals dismissed with directions; no costs

Final procedural order; substantive validity of the reopening grounds and tax liability not decided

Reasons already disclosed; speaking-order direction applied to objections, if filed, for the five specified years. Completed assessments for the other two years remained in the appellate process.

Source: [reported judgment / paragraphs Unnumbered order, directions and final disposition / PDF pages 2 / judicial text](#)

05 AKHB REVIEW POINT

For a proceeding governed by this historical framework, preserve the return, request for reasons, communicated reasons, objections and order disposing of them in a clear chronology. The operative safeguard is a reasoned decision on objections before assessment, but the actual result here was dismissal of the appeals. The judgment is not itself a decision that every procedural defect automatically annuls a reassessment or that the notices in this case were invalid.

Do not copy the sequence into a current notice response without checking the statutory regime applicable to that notice. This review does not certify present deadlines, post-2021 procedure or the effect of subsequent cases.

Source: [reported judgment / paragraphs Unnumbered order; editorial application limited to the historical procedure / PDF pages 2 / judicial text](#)

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Order of the Court; no individual author named

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SOURCE & VERIFICATION

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

Identified source rendition: 2 PDF pages; SHA-256

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The complete unnumbered judicial order is on physical page 2 after the order-introduction line on page 1; the page 1 headnote is editorial.

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Objections-before-assessment direction concerns 1992-93, 1993-94, 1994-95, 1997-98 and 1998-99. Assessments for 1995-96 and 1996-97 had already been completed; the pending Commissioner (Appeals) matters for those years were directed to be decided expeditiously.

The reported jurisdiction on physical page 1 dates the High Court order 31 January 2002; the judicial narrative on page 2 prints 31 January 2001. The discrepancy is preserved rather than silently resolved. The Supreme Court decision date is unambiguously 25 November 2002.; The judicial order has no numbered paragraphs; pinpoints use physical PDF page 2 and reported page 360.; The original notices covered seven years, but the objections-before-assessment direction covers only the five years whose assessments had not been completed.

STATUTORY SCOPE

Historical judgment review only. No automatic mapping to the Income-tax Act, 2025 or certification of present law or procedure.

LATER TREATMENT

Source checked 2026-10-04. No comprehensive subsequent judicial treatment or current-law audit.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 2](#)

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