

Smt. Amiyha Bala Paul v. Commissioner of Income Tax, Shillong

Civil Appeal No. 4657 of 2000

[2003] Supp. 1 SCR 388 | 2003-07-07

Whether, under the statutory scheme examined in 2003, a construction-cost reference admittedly outside section 55A could be sustained by the AO's general inquiry or commission powers under sections 131(1), 133(6) and 142(2).

55A | 131(1) | 133(6) | 142(2) | 256(2) | 269L (statutory comparison within judgment)

Two-judge bench | Ruma Pal, J. | B.N. Srikrishna, J.

Assessment years: 1982-83, 1983-84

Historical reference power; later section 142A requires separate application

This 2003 decision rejected the particular construction-cost reference under the statutory scheme then examined. It is not an unchanged present-day ban on valuation references or a universal exclusion of valuation evidence: later section 142A must be considered. The cover prints "Amiyha"; the headnote's general-power wording conflicts with the judicial reasoning, which controls. No fresh valuation or remand was ordered. Current law and comprehensive later treatment remain unverified.

01 FACTS OF THE CASE

The assessee constructed a house near Kolkata during 1981–1983. She disclosed construction investment of Rs 1,75,000 for AY 1982-83, initially accepted, and a further Rs 1,70,000 for AY 1983-84. The AO disputed the later disclosure and referred construction cost to a Valuation Officer under section 55A. On the report, the earlier assessment was reopened; additions of Rs 2,79,000 and Rs 1,77,000 were made for the respective years as undisclosed construction investment (PDF p 4 / SCR 391C–G).

CIT(A) rejected the appeals, but the Tribunal held the reference impermissible. On a section 256(2) reference, the Gauhati High Court agreed that section 55A did not authorise this reference, yet sustained it under the general powers in sections 131(1), 133(6) and 142(2), treating the cited provision as immaterial. The assessee appealed against that answer (PDF pp 4–5 / SCR 391G–392B).

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

02 DISCUSSION BY THE HON'BLE COURT

The Court first separated the Valuation Officer's statutory inquiry under the Wealth-tax Act from the AO's own fact-finding powers. The former involved its own notices, evidence, valuation, consequences and appellate safeguards. Section 55A imported that specialised machinery for the capital-gains purpose described in the judgment; both sides accepted that the present construction-cost inquiry fell outside it (PDF pp 6–9 / SCR 393–396).

Sections 133(6) and 142(2) enabled the AO to conduct an inquiry, not to confer that statutory valuation inquiry upon another officer. The Court nevertheless recognised that a relevant valuation report could be considered as evidence by an AO not bound by strict rules of evidence. The legal ability to use relevant evidence was distinct from the power to make this reference (PDF pp 9–10 / SCR 396C–397A).

The Court also rejected an attempted cure through section 131(1)(d) and Order XXVI rule 9 CPC. A commission carried different procedural requirements and consequences from the reference actually made; this was not merely a wrong section number attached to an otherwise valid exercise. Express provision for references in sections 55A and 269L, and the Valuation Officer's limited statutory office, could not be bypassed by invoking general inquiry powers for different purposes (PDF pp 10–13 / SCR 397–400A).

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

03 JUDICIAL DECISION

The assessee's appeal was allowed, the High Court's decision was set aside, and the Tribunal was held not to have erred in rejecting this construction-cost reference. There was no order as to costs and no remand. The Court resolved the statutory-jurisdiction question; it did not itself determine the house's correct cost (PDF p 13 / SCR 400A–C).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee

Appeal allowed; High Court decision set aside; no costs; no remand

Final answer in the assessee's favour on the historical statutory power to make the particular reference

No adjudication of the correct construction valuation and no unchanged present-law prohibition on statutory valuation references.

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

05 AKHB REVIEW POINT

Identify the exact source and purpose of the reference power before debating a valuation report's numerical reliability. A distinction between statutory delegation of inquiry and evidentiary use of an existing report matters. The ruling does not justify treating all expert valuation evidence as inadmissible, nor does a different section label automatically cure a jurisdictional defect.

Important later statutory qualification: the official historical section 142A page records its insertion by the Finance (No. 2) Act, 2004 with retrospective effect from 15 November 1972. Its proviso protected assessments made, and final and conclusive, by 30 September 2004, except the specified section 153A cases. That changed statutory setting must be examined before relying on this 2003 holding. The cited page is labelled 2012; current law and comprehensive later treatment remain unverified.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Reported identity, date and appeal

Source url: [Open cited source](#)

Pdf pages: 1; 4

Paragraphs: Cover; SCR 391A–C

Source role: reported metadata and judicial text

2.

Topic: Investments, additions and appellate route

Source url: [Open cited source](#)

Pdf pages: 4; 5

Paragraphs: SCR 391C–392B

Source role: judicial text

3.

Topic: Special statutory valuation machinery and section 55A

Source url: [Open cited source](#)

Pdf pages: 6; 7; 8; 9

Paragraphs: SCR 393–396E

Source role: judicial text

4.

Topic: Own inquiry versus valuation reference and relevant evidence

Source url: [Open cited source](#)

Pdf pages: 9; 10

Paragraphs: SCR 396C–397A

Source role: judicial text

5.

Topic: Commission argument, express statutory power and conclusion**Source url:** [Open cited source](#)**Pdf pages:** 10; 11; 12; 13**Paragraphs:** SCR 397–400C**Source role:** judicial text

6.

Topic: Headnote discrepancy checked against judicial text**Source url:** [Open cited source](#)**Pdf pages:** 3; 12**Paragraphs:** Headnote 1.3 at SCR 390D–E versus judicial text SCR 399A**Source role:** editorial discrepancy and controlling judicial text

7.

Topic: Later statutory qualification**Source url:** [Open cited source](#)**Paragraphs:** Version labelled 2012: section 142A(1)–(3), proviso and footnotes 65–66; unpaginated HTML**Source role:** official historical statutory text

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Ruma Pal, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

ALTERNATIVE REPORTED TITLE SPELLING

Smt. Amiya Bala Paul v. Commissioner of Income Tax, Shillong; Amiya Bala Paul

SOURCE & VERIFICATION

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

Identified source rendition: 13 PDF pages; SHA-256

ed7f64bf5bf87b1a9574857aa0fa9ef2a82a22ebcfd2b520111b1688766b6a24. Original bytes preserved.

Complete unnumbered judicial text, physical PDF pages 4–13 / SCR 391–400, beginning with Ruma Pal, J. and ending with the allowance and no-costs direction. Earlier editorial headnote excluded. No adjacent judgment.

[Open cited source rendition](#)

The source cover itself prints AMIYHA, not merely the index. Preserve the reported title and distinguish the Amiya search alias.; Headnote paragraph 1.3 on PDF p 3 / SCR 390D–E says “Though” the general reference power was already available. The judicial text at PDF p 12 / SCR 399A instead reasons conditionally that if it were already available there would have been no need for section 55A. The judicial reasoning controls; the headnote’s contradictory wording is not adopted.; The judgment has no numbered paragraphs. Physical PDF pages and SCR page letters are used for pinpointing.; The source refers to a single Civil Appeal 4657/2000 and ends “appeal” allowed, despite plurals in some editorial/counsel passages.; The saved official statutory webpage is a later historical text, not the original enactment or a verified current consolidation. Its separate 2010 addition is not attributed to the 2003 Court.

The actual SCR cover prints AMIYHA; that reported spelling is retained. Amiya Bala Paul is supplied as a conventional search alias, not silently substituted into the source title.

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: 13](#)

SHA-256: ed7f64bf5bf87b1a9574857aa0fa9ef2a82a22ebcfd2b520111b1688766b6a24

[official historical statutory webpage](#)

SHA-256: c1bece284c42dc07fbce78e03ac6ea3981659c79c5513b4916e9f112495339ad

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