Commissioner of Income Tax v. R.M. Patel (HUF)

TC(A) No. 385 of 2007

TCA385/2007 (2007-04-18) | 2007-04-18

Block-assessment additions could not rest on seized material unconnected with the HUF assessee.

158BB | 158BD | 158BC | 143(3) | 260A

High Court of Judicature at Madras | Division Bench | Justice P.D. Dinakaran | Justice P.P.S. Janarthana Raja

Assessment years: 1988-89 to 1997-98, 1998-04-01 to 1998-11-05

Scope of this order

The challenged block-assessment case failed for lack of related material; the order did not grant immunity from otherwise justified year-specific proceedings.

01 FACTS OF THE CASE

Following searches of the Karta and his brother in November 1998, Revenue assessed alleged undisclosed income of R.M. Patel HUF's timber business through section 158 BD. The appellate findings were that seized materials concerned other businesses and did not show this assessee's suppressed sales.

Source: PDF p. 1

02 DISCUSSION BY THE HON'BLE COURT

The High Court emphasized the section 158 BB connection between search evidence and the assessee. Family members' settlement disclosures could not supply the missing connection on the facts recorded.

Source: PDF p. 3

03 JUDICIAL DECISION

Revenue's appeal was dismissed for want of a substantial question of law. Appropriate action for relevant individual years remained open if incorrect returned income could be substantiated.

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04 OUTCOME / IN WHOSE FAVOUR

The challenged block-assessment case failed for lack of related material; the order did not grant immunity from otherwise justified year-specific proceedings.

Source: PDF p. 3

05 EXPERT COMMENTS

The missing evidentiary connection is the ratio — The source expressly concedes that the seized materials did not relate to this assessee. It does not hold that evidence from another person can never support lawful proceedings where the required connection exists.

Do not repeat the source's demand arithmetic as verified — Page 2 states undisclosed income of Rs.6,47,860 but a 60% tax demand of Rs.43,88,716. Those figures do not reconcile; the note reports the legal result without inventing a corrected demand.

Read the reserved liberty with the block-period result — The Court preserved appropriate action for AYs 1996-97, 1997-98 and 1998-99 if Revenue substantiated incorrect returns. That liberty is conditional and is not an assessment made by the Court.

Source: PDF p. 3

SOURCE & VERIFICATION

Primary High Court order - verified local repository copy

Complete 4-page court PDF read for this correction.

Complete source text and every original page visually reviewed; identity and SHA-256 checked. AI-assisted source analysis.

Open cited source rendition

All 4 physical source pages read and visually inspected. SHA-256: f35844418f9d855f8e5060ed74c909ae46d8e5a672b488de9fefa78ee5f3531d.

STATUTORY SCOPE

This note describes the provisions and historical period addressed by the supplied order; later statutory changes and subsequent treatment are not independently cleared.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

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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