Principal Commissioner of Income Tax (Central), Kanpur v. Rajan Rajesh Kumar

Income Tax Appeal No. 12 of 2024

2025:UHC:11294-DB | Income Tax Appeal No. 12 of 2024 | 2025-12-17

Repeated section 151 sanction proposals after refusal held without jurisdiction; Revenue appeal dismissed, with further criticism of uncorroborated loose-paper attribution.

Income-tax Act, 1961: sections 132, 133A, 147, 148, 149, 151 and 260A

High Court of Uttarakhand | 2-judge bench (Division Bench) | G. Narendar, C.J. | Subhash Upadhyay, J.

Assessment years: 2015-16, 2016-17

Sanction chronology corrected

23.06.2020 was a repeat proposal, not the successful sanction. Paragraph 54 identifies the impugned sanction as 08.01.2021. The Court's principal holding concerns absence of power to revisit refusal.

Party authorities and the Court's reasoning

V. C. Shukla and Common Cause appear among the assessee's authorities. The Court's reasoning centres on statutory finality and review power, followed by its own examination of corroboration.

01 FACTS OF THE CASE

Revenue appealed the Tribunal's 08.02.2024 decision concerning AYs 2015-16 and 2016-17. Reopening relied on loose papers 186 and 187 found in operations concerning contractor Amit Sharma and attributed to Rajan Rajesh Kumar, then SIDCUL's MD. The initial sanction was refused on 18.03.2020 for lack of corroboration. Further proposals followed, including 23.06.2020; that proposal's fate was not shown. The challenged sanction was ultimately dated 08.01.2021. The Tribunal had held the approval mechanical and jurisdiction defective.

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02 DISCUSSION BY THE HON'BLE COURT

The Court framed the issue as whether repeated presentation of a section 148 proposal to the section 151 authority was permissible. Examining Chapter XX and the absence of statutory review power, it rejected Revenue's argument that absence of an express bar allowed unlimited renewed requests. It held the repeated proposals and later sanction without jurisdiction. Separately, it questioned the reading of the loose-paper heading as MD rather than MP and found no corroborative material establishing influence over UPRNN's subcontract awards.

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03 JUDICIAL DECISION

The Court held the sanction dated 08.01.2021 wholly without jurisdiction, answered the framed question against Revenue and dismissed ITA 12/2024 without admission.

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04 OUTCOME / IN WHOSE FAVOUR

Revenue's challenge failed and the Tribunal's relief remained undisturbed. The judgment rejects the repeated-sanction route in this record and also questions the unsupported attribution underlying the reasons to believe.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

The decisive inquiry is into power, not simply the number of proposals — Revenue argued that the absence of a prohibition permitted repeated requests. The Court instead asked whether the statutory scheme conferred review power after refusal. Its negative answer makes the refusal history central: obtain each proposal, response and final sanction before comparing another case. The 23.06.2020 request cannot be substituted for the actual 08.01.2021 sanction.

Corroboration is a separate weakness in attribution — The Court examined the heading, third-party entries and distinct corporate command structures; it did not merely declare every loose sheet inadmissible. Its criticism concerned the missing link between these papers, this taxpayer and the alleged influence over subcontracting. A useful comparison must identify that evidentiary link rather than assume the presence of a name proves receipt of the entire amount.

Distinguish the reported holding from statutory-version and citation issues — The operative sanction predates the later text reproduced in paragraph 27 and the Finance Act 2023 reference in paragraph 53. Those features require care when applying this reasoning to another statutory period; they are not silently resolved here. Likewise, authorities recited as party submissions should not replace the Court's actual finality and review-power analysis. No subsequent treatment is established by this source.

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SOURCE & VERIFICATION

High Court of Uttarakhand official judgment PDF - AKHB Cloud Repository (20251217_UKHC010115722024.pdf)

36-page official High Court of Uttarakhand judgment PDF (20251217_UKHC010115722024.pdf).

All 36 original pages read and visually inspected; all five panels audited.

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All 36 physical pages of 20251217_UKHC010115722024.pdf read and verified page-by-page. Original bytes (271,707 bytes) match SHA-256 d4564c3d8544a6ad4a6a460890abfa0567e3dce23d482770383e463c4e337888.

STATUTORY SCOPE

The dispute concerns repeated sanction proposals culminating in sanction dated 08.01.2021. Paragraph 27 reproduces later statutory text including section 148A and paragraph 53 refers to Finance Act 2023; this note reports the Court's reasoning without treating those extracts as independently verified law applicable to the earlier sanction.

LATER TREATMENT

Source checked 2026-10-21. Subsequent 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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