

Additional Commissioner of Income Tax, Gujarat I, Ahmedabad v. M/s. Gurjargravures Private Limited

Civil Appeal No. 1655 of 1972

[1978] 2 SCR 169 | 1977-11-08

Whether, with neither an exemption claim before the Income-tax Officer nor material supporting it on the record, the Tribunal could require the Appellate Assistant Commissioner to entertain a new historical section 84 claim and direct appropriate relief.

84 (historical exemption) | 143(3) | 251(1)(a) | 261

2-judge bench | A.C. Gupta, J. | P.N. Shinghal, J.

Assessment years: 1963-64

Special facts and express reservations; later distinction

For AY 1963-64 neither a section 84 claim nor supporting record material was before the assessing officer. The Court expressly left other evidentiary situations open; later-year relief did not prove this year's entitlement. Jute Corporation (1990) subsequently confined the ruling to its special facts without overruling it. Revenue's appeal was allowed with no costs order. Do not present this as a universal modern bar on additional appellate claims. Comprehensive later treatment, current law and 2025 mapping are not verified.

01 FACTS OF THE CASE

The company carried on copper engraving and label manufacturing. Its AY 1963-64 assessment was made under section 143(3) of the Income-tax Act, 1961. It had claimed no section 84 exemption before the Income-tax Officer, but argued in its first appeal that the officer had erred by failing to give that benefit. The Appellate Assistant Commissioner rejected the ground; the Tribunal considered the entire assessment open and directed the officer to allow appropriate section 84 relief. The Gujarat High Court answered the Revenue's reference in the company's favour. The Revenue appealed on the High Court's section 261 certificate (physical pages 1-2/SCR 169 H-170 F).

Relief under section 84 had been accepted in subsequent years. The statement of case did not establish that the conditions were satisfied in AY 1963-64, and contained no material supporting this newly raised claim. No exemption amount is supplied by the Court (physical page 4/SCR 172 A-C and G-H).

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

02 DISCUSSION BY THE HON'BLE COURT

The Court expressly identified section 251(1)(a) of the 1961 Act as applicable and compared the almost similar former section 31(3). It rejected the High Court's assumption that taxing an item necessarily meant that its non-taxability had been considered when no exemption claim had been put forward (physical page 3/SCR 171 A-H).

Drawing on Rai Bahadur Hardutroy Motilal Chamaria, an earlier enhancement case under the 1922 Act, the Court explained that incidental notice of an item is not consideration of its taxability or non-taxability. Application of mind to the relevant matter must be shown. The quoted new-source enhancement rule is supporting reasoning from that earlier case; the dispute actually decided here concerned a new exemption claim (physical page 4/SCR 172 D-H).

The Court also rejected the assumed entitlement to relief in the particular year: allowance in later years does not establish that the prescribed conditions existed earlier. Crucially, it reserved both a case where no claim was made but supporting evidence was already on record and a case where a claim was made but evidence was absent or insufficient. Its answer was confined to the combined absence of claim and supporting material before it (physical pages 4-5/SCR 172 A-C, G-H and 173 A).

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

03 JUDICIAL DECISION

On these facts the referred question should have been answered in the negative. The Revenue's appeal was allowed. There was no order as to costs (physical page 5/SCR 173 A-B).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue

Appeal allowed; referred question answered negatively; no order as to costs

Final reasoned ruling on the new-claim issue presented, not an adjudication that the statutory exemption conditions were or were not met on further evidence

Combined absence of an earlier claim and supporting record material. Two other evidentiary situations were expressly left undecided. Later-year exemption is not proof of entitlement for the disputed year.

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

05 AKHB REVIEW POINT

Identify both what was claimed and what the assessment record contained. This judgment must not become a universal prohibition on additional appellate grounds. Its explicit reservations are central to the result, as is the absence of proof for the disputed year.

A separately checked later three-judge decision, Jute Corporation of India Ltd. (4 September 1990), declined to overrule Gurjargravures because of its special facts and addressed lawful discretion to admit an additional ground. Read the two decisions together within their historical statutory settings; neither this note nor that bounded later comparison certifies every present appellate route.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Date, complete docket and certificate route

Source url: [Open cited source](#)

Pdf pages: 1; 2

Paragraphs: SCR 169 heading/H; 170 A–B

Source role: reported metadata and judicial text

2.

Topic: Assessment, claim history and referred question

Source url: [Open cited source](#)

Pdf pages: 2

Paragraphs: SCR 170 C–G

Source role: judicial text

3.

Topic: Applicable 1961 provision and disputed High Court reasoning

Source url: [Open cited source](#)

Pdf pages: 3

Paragraphs: SCR 171 A–H

Source role: judicial text

4.

Topic: Later-year relief and record-material distinction

Source url: [Open cited source](#)

Pdf pages: 4

Paragraphs: SCR 172 A–H

Source role: judicial text

5.

Topic: Express reservations, actual answer and costs

Source url: [Open cited source](#)

Pdf pages: 5

Paragraphs: SCR 173 A-B

Source role: judicial text

6.

Topic: Bounded later direct treatment and disposition

Source url: [Open cited source](#)

Pdf pages: 7; 8; 9

Paragraphs: SCR 346 C-348 H

Source role: later judicial text separate check

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

A.C. Gupta, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961 (historical section 84 claim and appellate powers under section 251(1)(a))

OTHER STATUTORY PROVISIONS AND THEIR SEPARATE SCOPE

Indian Income-tax Act, 1922, section 31(3), examined through appellate-power precedents; not the Act governing this assessment.

SPECIFIED LATER JUDICIAL OR STATUTORY CHECKS AND THEIR LIMITS

1.

Kind: direct later judicial treatment

Status: bounded verified

Source urls: https://indian-supreme-court-judgments.s3.amazonaws.com/data/pdf/year=1990/english/S_1990_1_340_348_EN.pdf#page=7; https://indian-supreme-court-judgments.s3.amazonaws.com/data/pdf/year=1990/english/S_1990_1_340_348_EN.pdf#page=8; https://indian-supreme-court-judgments.s3.amazonaws.com/data/pdf/year=1990/english/S_1990_1_340_348_EN.pdf#page=9

Finding: Jute Corporation confined Gurjargravures to its special facts and declined to overrule it; lawful admission of additional grounds remained possible. Jute's final order was a merits remand, not an unconditional final deduction award.

Limit: All nine pages read; only this direct treatment checked. No comprehensive subsequent law or modern statutory appellate-power verification.

SOURCE & VERIFICATION

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

Identified source rendition: 5 PDF pages; SHA-256 4112d87e8fcc135ebaecee7faefd44dfa1e6c060f4ad1d9abc43e7f88919cf8c. Original bytes preserved.

Judicial body begins physical page 2/SCR 170 B and ends physical page 5/SCR 173 B. Page 1 is headnote and appellate docket; page 2 begins with appellate metadata and counsel. No neighbouring judgment.

[Open cited source rendition](#)

The decision is dated 8 November 1977; the 1978 year is the SCR report year.; The earlier 1922 Act enhancement precedent is not the governing Act or the actual relief sought in this case.; The Court did not determine entitlement under section 84 on newly supplied facts or reserve a remand for proving it.; The two expressly reserved evidentiary scenarios must remain beside any statement of the holding.; The checked Jute Corporation rendition at SCR 347 inserts “no” into a quotation of the first reserved scenario. The primary Gurjargravures text at SCR 173 says evidence was on record. This note follows the original source, without silently importing the later quotation anomaly.

AY 1963-64 is expressly given at physical page 2/SCR 170 D. Later years are not individually identified.

STATUTORY SCOPE

No automatic mapping to the Income-tax Act, 2025 and no present-law certification. Verify the applicable statutory version and procedural route separately.

LATER TREATMENT

Source checked 2026-10-05. not_verified. Bounded direct later treatment: Jute Corporation of India Ltd. v. Commissioner of Income Tax and Another, [1990] Supp. 1 SCR 340, three-judge bench, 4 September 1990, Civil Appeal No.1935 of 1981, was read on all nine text and image pages. At SCR 346–347 it discusses Gurjargravures, prefers the larger-bench Kanpur Coal account of appellate power, but finds it unnecessary to overrule Gurjargravures because it turned on special facts. It permits reasoned discretion for bona fide additional grounds with good reasons for the earlier omission. At SCR 348 it remits the merits of the deduction to the Tribunal and makes no costs order. This is not a comprehensive citator, current appellate-power certification or 2025 mapping.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 5](#)

SHA-256: 4112d87e8fcc135ebaecee7faefd44dfa1e6c060f4ad1d9abc43e7f88919cf8c

[later judgment bounded comparison - PDF pages: 9](#)

SHA-256: 0471ccf6e2391237419015634a51af6e24933567450f22b23560f714f4b1f48f

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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