

Sri Nandlal Tejmal Kothari v. The Inspecting Assistant Commissioner of Income Tax and Others

Civil Appeal No. 3624 of 1986

[1997] 3 SCR 575 | 1997-04-03

How the appeal should be disposed of in light of the cited Gautam requirements for reasons and its consequential interest and timing directions.

269UD(1) (quoted Gautam directions) | Chapter XX-C (quoted historical scheme) | 269UP (later bounded statutory applicability check only)

Two-judge bench | K. Ramaswamy, J. | D.P. Wadhwa, J.

Assessment years: See the source-scope notes; no year inferred.

Short following order with an unresolved chronology

The appeal was disposed of, without costs, by adopting selected Gautam passages; the report supplies no transaction findings or unconditional refund or interest award. Interest depends on a fresh purchase order and the timing quotation comes from Gautam's 27 November 1992 supplement. The printed March 1986 High Court date predates the Chapter XX-C commencement described in the checked sources, and is not silently corrected. Section 269UP later excludes transfers effected on or after 1 July 2002; comprehensive later treatment remains unverified.

01 FACTS OF THE CASE

The source identifies Civil Appeal 3624 of 1986 from the Karnataka High Court's reported order dated 11/12 March 1986 in Writ Petition 11570 of 1985. It gives no transaction history, property description, price, purchase-order date, possession status, accepted compensation or detailed procedural findings. The Supreme Court said the controversy was covered by C.B. Gautam and reproduced three passages before disposing of the appeal (physical pages 1–2; SCR 575–576).

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

02 DISCUSSION BY THE HON'BLE COURT

The order quotes Gautam paragraph 31 on the two functions of recorded and communicated reasons: enabling the aggrieved party to challenge error, irrationality or irrelevance in constitutional judicial review, and deterring arbitrary action where the scheme provided no appeal or revision. It then quotes paragraph 42 directing payment of apparent consideration plus 9 per cent annual interest from the impugned order's date if a fresh compulsory-purchase order is made (physical pages 1–2).

The final quotation, numbered 50, is Gautam's supplemental timing direction for cases other than Gautam itself. The two-month period under section 269UD(1) is reckoned with reference to disposal of the pending Supreme Court or High Court case, or vacation of a stay inhibiting further proceedings. Comparison with the fully read Gautam source confirms that this passage comes from the separate 27 November 1992 supplemental order, not the 17 November main judgment alone (Nandlal physical page 2; Gautam physical pages 42–44/SCR 53–55).

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

03 JUDICIAL DECISION

Following the quoted Gautam ratio, the appeal was disposed of, without costs. The short operative sentence does not separately say that the appeal was allowed or dismissed, quantify any payment, identify a fresh purchase order, or order an unconditional refund. Its adopted directions retain their stated conditions (physical page 2; SCR 576).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Not expressly assigned by the short order; appeal disposed of following Gautam

Appeal disposed of; no costs

Following disposition applying quoted safeguards and consequential directions, without independent factual findings in this report

No invented valuation, automatic interest or refund, standalone fresh-purchase order, or general determination of all Chapter XX-C issues.

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

05 AKHB REVIEW POINT

Use this short order as an application of the passages it actually adopts. The practical inquiry remains whether reasons were communicated, whether a fresh purchase triggers the conditional interest direction, and which pending-case or stay-vacation event controls the historical timing rule. Do not reconstruct an unseen factual record from the precedent quotation.

There is an unresolved chronology issue: the reported High Court date is March 1986, whereas Gautam describes Chapter XX-C's commencement in the relevant area from October 1986; the official section 269U footnote also records the 1 October 1986 commencement. The Nandlal report does not explain its underlying statutory basis or reconcile this sequence. Preserve that limitation rather than changing the date, assuming a Chapter XX-A proceeding, or attributing missing findings to the Court.

Section 269UP, verified through the official text of Finance Act 2002, section 100, subsequently excluded transfers effected on or after 1 July 2002 from Chapter XX-C. That bounded applicability check does not turn this 1997 order into current property-purchase or refund advice.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity, reported High Court date and judicial opening

Source url: [Open cited source](#)

Pdf pages: 1

Paragraphs: Unnumbered judicial text

Source role: reported metadata and judicial text

2.

Topic: Quoted reasons rationale

Source url: [Open cited source](#)

Pdf pages: 1; 2

Paragraphs: Quoted Gautam paragraph 31

Source role: quoted precedent

3.

Topic: Conditional interest and timing directions

Source url: [Open cited source](#)

Pdf pages: 2

Paragraphs: Quoted Gautam paragraphs 42 and 50

Source role: quoted precedent

4.

Topic: Following disposition and no costs

Source url: [Open cited source](#)

Pdf pages: 2

Paragraphs: Final unnumbered operative sentence

Source role: judicial text

5.

Topic: Independently checked source of quoted reasons rationale

Source url: [Open cited source](#)

Pdf pages: 34; 35

Paragraphs: Unnumbered Gautam judicial text

Source role: independently read cited authority

6.

Topic: Independently checked source of conditional interest and supplemental timing

Source url: [Open cited source](#)

Pdf pages: 42; 43; 44

Paragraphs: Main judgment ending; supplemental order paragraph 3

Source role: independently read cited authority

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SPECIFIED STATUTORY CHECKS AND THEIR LIMITS

1.

Kind: bounded statutory applicability check

Title: Finance Act, 2002, section 100 inserting section 269UP

Url: [Open cited source](#)

Source authority: Income Tax Department, Government of India

Reviewed at: 2026-10-04T17:06:52.658655+00:00

Read boundary: Complete displayed section 100 and inserted section 269UP, including commencement date; page headings identify Finance Acts, year 2002.

Finding: Section 269UP makes Chapter XX-C inapplicable to, or in relation to, transfers of immovable property effected on or after 1 July 2002.

Scope limit: This is a bounded historical non-application check, not a comprehensive statutory update, a statement that Chapter XX-C was wholly omitted, or a mapping to the Income-tax Act, 2025.

2.

Kind: bounded statutory commencement check

Title: Section 269U, Income-tax Act, 1961, 1998 version

Url: [Open cited source](#)

Source authority: Income Tax Department, Government of India

Reviewed at: 2026-10-04T17:06:52.658655+00:00

Read boundary: Complete displayed section 269U and footnotes 72–73.

Finding: The displayed footnote records insertion of Chapter XX-C by the Finance Act, 1986, with effect from 1 October 1986 under notification S.O. 480(E), dated 7 August 1986. The section permits area-specific commencement.

Scope limit: Does not establish the underlying facts, statutory provision or correct High Court date in Nandlal; no correction to its reported date is inferred.

SPECIFIED RELATED REVIEWED DECISIONS AND THEIR LIMITS

1.

Id: sc-1992-11-17-c-b-gautam-purchase-safeguards

Relationship: Foundational judgment and supplemental order independently read to identify the quoted passages and their conditions

Source url: [Open cited source](#)

SOURCE & VERIFICATION

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

Identified source rendition: 2 PDF pages; SHA-256

03d3577c377de8cb2fe4733e9abc9b062bb278cbe1a66d2a247f39fd928db446. Original bytes preserved.

All 2 physical pages/SCR 575–576 read. Front matter precedes the judicial order on physical page 1. Judicial order quotes Gautam paragraphs 31, 42 and 50 and ends physical page 2 with appeal disposed of, no costs; no adjoining decision.

[Open cited source rendition](#)

The front matter's 11/12 March 1986 High Court date and Writ Petition 11570 of 1985 precede the Chapter XX-C commencement described in Gautam and recorded in the official section 269U footnote. The source supplies no explanation; no corrected date or different underlying regime is invented.; The garbled headnote section label is printed as P. UD(1). The judicial quotation expressly names section 269-UD(1), which controls the quoted point; the underlying proceeding's precise statutory history remains unstated.; Paragraphs 31, 42 and 50 are quoted Gautam paragraph numbers, not new numbered findings on Nandlal's facts. The paragraph 50 direction originates in Gautam's separately dated 27 November 1992 supplemental order.; The source ends with appeal disposed of, no costs. It contains no express independent merits outcome, unconditional refund, quantified interest award, direction to pay this appellant, or established possession/compensation facts.; Gautam's full judgment was independently read for this comparison. Other precedent originals and comprehensive later treatment were not checked.

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. The full source of C.B. Gautam, including its separately dated supplemental order, was independently read for the quoted passages. The bounded section 269UP and commencement checks do not certify present law or map to the Income-tax Act, 2025.

IDENTIFIED SOURCE LINKS

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

SHA-256: 03d3577c377de8cb2fe4733e9abc9b062bb278cbe1a66d2a247f39fd928db446

[reported judgment - PDF pages: 44](#)

SHA-256: a0086d310dbbccbb4505bf15d6297694fc08d759d7ac80217daa7dc8505bdda

[Related note: C.B. Gautam v. Union of India and Others](#)

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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