

Hans Raj Agarwal and Anr. v. Chief Commissioner of Income Tax and Ors.

Civil Appeal No. 2121 of 2001

[2002] Supp. 5 SCR 648 | 2002-12-20

Whether the second Chapter XX-C compulsory purchase order could be defeated by objections to the earlier statement/order, the property's demarcation, alleged prior possession, valuation or payment, after a hearing-based first writ remand.

2(47) | 269UC | 269UD(1) | 269UF | 269UG | 269UH | 269UJ | 269UL(3) | 269UP (separate sunset comparison)

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

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

Historical purchase dispute; chronology conflicts are not corrected

This is a Chapter XX-C property-purchase case, not a settlement-interest ruling. The appeal was dismissed with costs after a prior hearing-based remand. Fresh-statement and factual-concession reasoning is case-specific; it neither validates the original filing order nor permits general limitation extensions. The report has conflicting order/agreement dates and an inconsistent two-month recital, so no deadline is calculated from it. Section 269UP excludes transfers on or after 1 July 2002. Comprehensive later treatment and current-law mapping remain unverified.

01 FACTS OF THE CASE

Three sisters agreed in 1988 to sell their Hyderabad property to the appellants. After Leila Lean died, her executor entered a fresh agreement for her one-third share; the appellants, acting for the other sisters, executed eight conveyances of their demarcated portions. Chapter XX-C became operative in Andhra Pradesh on 1 June 1989. A first Form 37-I for Leila's share was filed on 15 June 1989, stating consideration of Rs 15,33,333.33. The Appropriate Authority filed it without either purchase or no-objection action because RBI approval had not been obtained. The parties accepted that filing order and voluntarily submitted a second statement after approval (SCR 653–655).

The narrative dates the first purchase order 28 November 1989 and the Government's deposit 22 December 1989; possession was delivered to the Government. The appellants' first writ challenged the purchase. Following C.B. Gautam, the High Court quashed it, directed a hearing and treated the Form as filed on disposal of the writ. The authority then issued notice, considered replies and made a reasoned second purchase order. The High Court rejected the second writ on 27 April 2000. The appellants appealed; the property's auction meanwhile proceeded subject to the result, with Vansh Builders admitted as intervenor after its Rs 4.05 crore bid (SCR 655–657).

The report contains conflicting order dates and an impossible stated two-month interval, detailed below. The note preserves the procedural sequence but does not silently correct those recitals or use them to compute a deadline.

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

02 DISCUSSION BY THE HON'BLE COURT

The Court did not decide that the original filing order was lawful. It assumed illegality for argument, but held that the appellants had not challenged it and had voluntarily requested action on a fresh, unchallenged Form 37-I. In these circumstances that second statement supplied a fresh statutory limitation period. The earlier purchase order had also been quashed by an unappealed writ order applying the C.B. Gautam deemed-filing direction. The direction was not confined only to cases defective on natural-justice grounds. The preserved limitation contention therefore failed on this procedural record; the authority was not given a general discretion to extend statutory time (SCR 660–662).

The objection that a demarcated parcel was purchased although the agreement spoke of an undivided share failed against the appellants' own conveyances, plans and recitals of prior oral partition, the executor's affidavit and the authority's inspection. The purchase still identified Leila's one-third interest. The Court accepted that partition could be oral, while the cited authorities distinguished an oral arrangement from a document which itself effects and embodies a division and may require registration. It did not validate every unregistered partition instrument (SCR 662–664).

The section 2(47) prior-transfer claim lacked evidence of possession of Leila's particular share; possession of the other sisters' demarcated shares followed their conveyances. The High Court had also recorded that the prior-transfer ground was not pursued, so it could not be reopened on appeal. The valuation finding was supported by contemporary sale instances, location, frontage, access and inspection and had been affirmed by the High Court. The Court's additional mention of the 2000 auction bid was not a formula equating a later resale price with the earlier market value (SCR 664).

Non-payment/non-deposit was a factual contention first raised before the Supreme Court and failed on that ground alone. In addition, the Court recorded the timely original deposit and the transferor's receipt without protest. It did not waive the statutory duty to tender or deposit. Nor did it discard a hearing: the first order had been quashed for a fresh hearing and the second order followed notice and replies (SCR 656–657 and 665).

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

03 JUDICIAL DECISION

The appeal was dismissed with costs. The High Court's rejection of the second writ and the second compulsory-purchase order remained undisturbed. No further remand, new valuation, no-objection certificate or revesting direction was ordered (SCR 665).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue / Central Government; the intending purchasers' challenge failed

Civil Appeal No. 2121 of 2001 dismissed with costs

Final rejection of the second-order challenge on the identified legal and factual grounds

Fact-specific historical Chapter XX-C disposition. No blanket approval of filing orders, unrestricted limitation extension, universal oral-partition exemption from registration, or finding of prior transfer merely from an agreement.

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

05 AKHB REVIEW POINT

Track each legally distinct event: the statement accepted for action, the earlier unchallenged filing order, the writ court's deemed-filing direction, the hearing and the later purchase order. A fresh statement voluntarily tendered and relied on was decisive here; it is not authority for curing every time-bar by unilateral administrative demand. Preserve grounds and evidence in the proper court. The failed possession and deposit arguments illustrate why a new factual claim at the final appeal stage cannot substitute for the contemporaneous record.

For property identity and value, compare the agreement with registered conveyances, plans, affidavits and actual possession rather than treating a single description as conclusive. Do not use the much later auction bid alone as the historical valuation. Most importantly, section 269UP, separately verified in the government-hosted compilation, excludes Chapter XX-C for transfers effected on or after 1 July 2002. This judgment is historical property-purchase litigation, not a present settlement-interest rule or a current property-transfer compliance checklist.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity, bench and appeal

Source url: [Open cited source](#)

Paragraphs: Cover; jurisdiction recital; SCR 653 opening

Source role: reported metadata and judicial text

Pdf pages: 1; 5; 6

2.

Topic: Transactions, statutory period, statements and first purchase

Source url: [Open cited source](#)

Paragraphs: SCR 653–655

Source role: judicial text

Pdf pages: 6; 7; 8

3.

Topic: Hearing-based first writ disposal, second order and chronology conflicts

Source url: [Open cited source](#)

Paragraphs: SCR 656–657

Source role: judicial text

Pdf pages: 9; 10

4.

Topic: Rival objections, accepted fresh statement and deemed filing

Source url: [Open cited source](#)

Paragraphs: SCR 658–662

Source role: judicial text

Pdf pages: 11; 12; 13; 14; 15

5.

Topic: Partition evidence and document-registration qualification

Source url: [Open cited source](#)

Paragraphs: SCR 662–664

Source role: judicial text

Pdf pages: 15; 16; 17

6.

Topic: Prior possession, valuation, deposit and exact dismissal

Source url: [Open cited source](#)

Paragraphs: SCR 664–665

Source role: judicial text

Pdf pages: 17; 18

7.

Topic: Historical Chapter XX-C sunset

Source url: [Open cited source](#)

Paragraphs: Section 269UP and footnote 76; printed 1.910

Source role: bounded statutory comparison

Pdf pages: 951

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Ruma Pal, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SPECIFIED STATUTORY COMPARISONS AND TEMPORAL LIMITS

1.

Source urls: [https://dor.gov.in/files/acts_files/IT%20Act%20\(English\)_0.pdf](https://dor.gov.in/files/acts_files/IT%20Act%20(English)_0.pdf)

Checked provision: Section 269UP and footnote 76, physical page 951 (printed 1.910)

Finding: The government-hosted compilation states that Chapter XX-C does not apply to or in relation to immovable-property transfers effected on or after 1 July 2002; the footnote identifies the Finance Act 2002 insertion.

Limit: A limited historical sunset check, not mapping to a current transfer-tax regime or an Income-tax Act, 2025 crosswalk.

SOURCE & VERIFICATION

Hon'ble Supreme Court source PDF (reported judgment)

Identified source rendition: 18 PDF pages; SHA-256

5731eec147be64fce6e30902864b80c809021faa6bd988ad252e9bde68e46610. Original bytes preserved.

Complete unnumbered judicial judgment from physical page 6/SCR 653 through physical page 18/SCR 665, including attributed C.B. Gautam, Nanni Bai and Roshan Singh passages. Earlier editorial headnote excluded; jurisdiction recital on page 5 read. No adjacent judgment.

Open cited source rendition

This is a Chapter XX-C property-purchase dispute, not an assessment-year or settlement-interest appeal.

This asset is a Chapter XX-C compulsory-purchase case and must not be categorised as a Settlement Commission or interest-waiver ruling merely because it is packaged with two such notes.; SCR 655, 658 and 661 identify the first purchase order as 28 November 1989; SCR 656 calls the quashed first purchase order 31 August 1989, and the quoted writ disposition on SCR 661 mentions 23 August 1989, the date earlier assigned to the filing order. These printed conflicts are preserved rather than corrected.; SCR 656 gives the first writ disposal as 16 February 1994; SCR 657 describes the second purchase order as 20 May 1994 and within two months. Those printed statements do not form a consistent interval. SCR 662 also calls the second purchase order one in November 1989. No replacement date or calculated limitation deadline is invented.; The agreement is repeatedly dated 13 March 1988, but the valuation passage on SCR 664 prints 31 March 1988. The opening on SCR 653 prints section 239 UD(1), while the rest identifies section 269UD(1). Both are source slips requiring caution.; The statutory quotation on SCR 654 states two months from the end of the month of receipt, whereas SCR 661 uses abbreviated from-receipt language. No simplified two-month date-arithmetic rule is supplied by this note.; C.B. Gautam's hearing and deemed-filing rules, and the partition authorities, are reported as quoted/applied within this judgment; no independent full-primary review of those precedents is asserted.; The judgment does not decide the lawful character of the original filing order; illegality was assumed for argument. No holding validating refusal to act on Form 37-I is inferred.

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 treatment and current-law applicability have not been verified. Only the expressly identified bounded primary-source comparisons have been checked; no automatic Income-tax Act, 2025 mapping is certified.

IDENTIFIED SOURCE LINKS

reported judgment - PDF pages: 18

SHA-256: 5731eec147be64fce6e30902864b80c809021faa6bd988ad252e9bde68e46610

official hosted statutory compilation - PDF pages: 1251

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

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