

Gopaldas Udhavdas Ahuja and Anr. v. Union of India and Ors.

Civil Appeal No. 2335 of 1996

[2004] Supp. 2 S.C.R. 942 | 2004-07-06

Historical tax-search companion: Gold Control takeover and voluntary-disclosure immunity.

Income-tax Act: sections 119 and then 132(5) | Gold (Control) Act: sections 64(b), 66, 71, 74, 85, 98B, 105 | Voluntary Disclosure scheme, 1975

Two-judge Bench | Ruma Pal J. | S.H. Kapadia J.

Appeal allowed; seizure upheld and immunity denied

Confiscation and penalties failed for lack of conscious possession, not invalid seizure or disclosure immunity.

01 FACTS OF THE CASE

Income-tax officers recovered gold on 28 August 1974; Gold Control took it over on 30 August and issued notice on 20 September. A disclosure declaration followed on 27 December 1975. The appellants denied knowledge of the gold hidden in a cupboard cavity. Despite criminal acquittal, the Division Bench upheld confiscation and penalties, prompting this appeal.

Source: [SCR 951-959 / PDF pp.10-18](#)

02 DISCUSSION BY THE HON'BLE COURT

Gold Control sections 64(b), 66 and 105 authorised the takeover on the recorded reasonable belief; the CBDT information circular bound tax officers under section 119. The then section 132(5) assessment/recovery scheme differed, so Tarsem Kumar did not invalidate this seizure. Earlier lawful seizure and pending proceedings defeated disclosure immunity; later remand did not erase pendency. Yet inconsistent recovery evidence and the inaccessible vault failed to establish conscious possession. Acquittal on the same evidence reinforced that conclusion, without creating a rule that every acquittal automatically nullifies confiscation.

Source: [Conscious possession: SCR 966-971 / PDF pp.25-30](#); [Seizure and immunity: SCR 975-980 / PDF pp.34-39](#)

03 JUDICIAL DECISION

The appeal was allowed and the Division Bench judgment set aside. The specified absolute confiscation and personal penalties were set aside. Undisposed gold was to be returned within two months of the Collector's receipt of the order; if already disposed of, the sale price was payable with 6% annual interest from disposal until payment. There was no order as to costs.

Source: [SCR 980-981 / PDF pp.39-40](#)

04 OUTCOME / IN WHOSE FAVOUR

Appellants succeeded on confiscation and personal penalties, not on their challenge to seizure or their claim to voluntary-disclosure immunity. This was not a determination of an income-tax assessment or tax quantum.

Source: [SCR 977,979-981 / PDF pp.36,38-40](#)

05 AKHB REVIEW POINT

AKHB analysis: Separate seizure authority, disclosure immunity and proof supporting confiscation. Reconstruct the seizure-notice-declaration chronology and inspect contemporaneous recovery records. Success on confiscation did not undo the adverse seizure/immunity holdings. This decision neither overrules Tarsem Kumar nor grants automatic immunity after acquittal. Today's inter-agency transfers require a separate statutory check.

Source: [SCR 969-980 / PDF pp.28-39](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

All 40 pages read; headnotes SCR 942-951 distinguished from Kapadia J.'s judgment SCR 951-981. Report page pinpoints used.

[Open cited source rendition](#)

Relief covers the confiscated bars, brick, coins and sovereigns and personal penalties, not previously redeemed idols.

STATUTORY SCOPE

Historical tax-search/disclosure companion, not an assessment decision. The then section 132(5) and the Gold (Control) Act (repealed in 1990, as the report notes) must not be applied as current law.

LATER TREATMENT

Source checked 2026-10-17. Judgment as delivered on 6 July 2004; subsequent treatment and present applicability unverified.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 40](#)

SHA-256: 5e994ab9e4f1a48ebb7526f551af43c3f8fc88ad20975e0500a312a642ba270a

[Related note: Commissioner of Income Tax, Haryana, Himachal Pradesh & Delhi & Others v. Tarsem Kumar & Another](#)

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from identified primary reports. Independent human review is not represented.

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