

Krishnaswamy S. Pd. and Another v. Union of India and Others

Civil Appeal Nos. 3376-3377 of 2000

[2006] 2 SCR 390 | 2006-02-21

Whether C. B. Gautam's hearing requirement could unsettle a completed Chapter XX-C purchase followed by a public auction

Income-tax Act, 1961: former sections 269UD and 269UE, Chapter XX-C | Income-tax Rules, 1962: rule 48L | Constitution of India: Article 226

Two-judge bench; judgment delivered by Arijit Pasayat, J. | Arijit Pasayat, J. | R. V. Raveendran, J.

Historical ruling; verify current law

Former Chapter XX-C no longer operates as the current property-transfer regime. The decision applies C. B. Gautam's express protection for completed acquisitions and third-party auctions; it is not a general validation of unheard purchase orders.

01 FACTS OF THE CASE

The appellants agreed in July 1987 to buy a Bangalore property for Rs.18 lakh and filed Form 37-I. The authority ordered pre-emptive purchase in December 1987 without the hearing later required by C. B. Gautam. During the writ case, the owner delivered title deeds, accepted the Government consideration and the Department auctioned the property in March 1992; the successful bidder paid Rs.46 lakh and later received a sale deed. C. B. Gautam was decided while the writ petition remained pending.

Source: [Primary judgment: facts and procedural setting](#)

02 DISCUSSION BY THE HON'BLE COURT

C. B. Gautam read a show-cause opportunity and recorded reasons into section 269UD, but expressly preserved transactions already completed by possession and accepted compensation as well as public-auction purchases by third parties. The Court also considered restitution principles and the appellants' request to recover their advance from the vendor, treating their conduct as acquiescence in the auction process.

Source: [Primary judgment: reasoning](#)

03 JUDICIAL DECISION

The post-Gautam hearing requirement could not reopen this completed acquisition and public auction. The intending purchasers alone had challenged the transaction; the owner had accepted the consideration and did not seek restoration.

Source: [Primary judgment: holding](#)

04 OUTCOME / IN WHOSE FAVOUR

Both appeals were dismissed. The auction purchaser's completed title was not disturbed.

Source: [Primary judgment: operative disposition](#)

05 AKHB REVIEW POINT

AKHB analysis: when invoking a procedural ruling retrospectively, test the ruling's own savings language before reaching the underlying defect. Here completion, accepted compensation, third-party auction and the identity of the challenger controlled the result.

Source: [Primary judgment: review-point basis](#)

SOURCE & VERIFICATION

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

Complete 13-page SCR report read in page-preserving text and every page image inspected, from the reported opening page through the operative disposition.

[Open cited source rendition](#)

Exact catalogue SHA-256 and 13-page count verified; every page was read and visually inspected.

STATUTORY SCOPE

Historical statutory provisions are described as they appeared in the report. Verify current enactments, amendments and later judicial treatment before reliance.

LATER TREATMENT

Source checked 2026-10-12. No comprehensive later-treatment or present-law clearance is represented. The note reports the historical statutory text and result in this primary report only.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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General legal and tax research only; not legal or tax advice. Verify the complete judgment, governing statutory version and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.