

Commissioner of Income Tax, Salem v. P.V. Kalyanasundaram

Civil Appeal No. 4262 of 2007

[2007] 9 SCR 949 | 2007-09-14

Whether the dispute over alleged extra sale consideration and the reliability of contradictory statements and loose notings raised a substantial question of law under section 260A.

260A | 158BD (contextual reference)

Two-judge bench | S.B. Sinha, J. | Harjit Singh Bedi, J.

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

Fact-specific evidentiary result; source amounts conflict

The Court found no substantial question of law on this record. It did not make loose papers universally inadmissible, every retraction decisive or guideline value conclusive. The report contains differing sale-price and addition figures, which are not silently recalculated. No assessment year, fresh valuation or express costs order is invented; current law and comprehensive later treatment remain unverified.

01 FACTS OF THE CASE

The assessee's October 1998 registered land purchase stated consideration of Rs 4.10 lakh. Search material included loose notings, and the seller gave conflicting statements about a higher price. The AO adopted a higher consideration and made an undisclosed-income addition. CIT(A) and the Tribunal deleted it after considering contradictions, discrepancies in the areas mentioned in the papers and the local registration-value evidence (paragraph 3).

Revenue's High Court appeal challenged those evidentiary conclusions. The High Court found no substantial question of law. In the Supreme Court, Revenue also objected that the High Court had extensively copied the lower authorities' reasoning without independent attribution, and sought reconsideration (paragraphs 4–5).

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

02 DISCUSSION BY THE HON'BLE COURT

The Court accepted that borrowed passages should be acknowledged, while recognising that quoting a specialised authority can aid brevity and precision. The drafting criticism did not establish a substantive error requiring a remand (paragraph 6).

On this record, the actual price, effect of the seller's contradictory accounts and reliability of the loose sheets were factual questions. The proposed questions did not amount to substantial questions of law. The Court therefore found no infirmity in the High Court's refusal to reopen the factual evaluation. It did not declare loose sheets or a retracted statement incapable of evidentiary value in every case (paragraphs 5–6).

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

03 JUDICIAL DECISION

Revenue's appeal was dismissed. The deletion accepted by the appellate authorities remained undisturbed; no fresh valuation or remand was ordered. The closing paragraph contains no express costs direction (paragraph 6).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee

Revenue appeal dismissed; no remand

Final refusal to interfere with the fact-based deletion on the questions presented

No universal exclusion of loose-sheet evidence, no automatic acceptance of every retraction, and no rule that registration guidance alone conclusively fixes actual consideration.

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

05 AKHB REVIEW POINT

Test the evidence as a whole: whether the notings identify the same property and area, whether witness versions are consistent, and whether objective corroboration supports the asserted price. The result rests on the record and the limited appellate question, not on a shortcut that all informal records must be ignored. A claim of perversity in another case must identify the actual legal or evidentiary defect.

For citation, preserve the distinction between the Court's comment on attribution and its refusal to disturb the result. Do not reconstruct an on-money amount from this report's inconsistent figures or use it as a present property-valuation or anti-abuse rule.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES**1.****Topic:** Identity and appeal**Source url:** [Open cited source](#)**Pdf pages:** 1; 2**Paragraphs:** Cover; jurisdiction; 1–2**Source role:** reported metadata and judicial text**2.****Topic:** Evidence, findings and proposed legal questions**Source url:** [Open cited source](#)**Pdf pages:** 3; 4**Paragraphs:** 3–4**Source role:** judicial text**3.****Topic:** Submissions, attribution comment and final dismissal**Source url:** [Open cited source](#)**Pdf pages:** 4; 5**Paragraphs:** 5–6**Source role:** judicial text**JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS**

Harjit Singh Bedi, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

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

Identified source rendition: 5 PDF pages; SHA-256

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Judicial paragraphs 1–6 on physical pages 2–5/SCR 950–953; earlier editorial material excluded. No adjacent judgment.

[Open cited source rendition](#)

Paragraph 3 gives Rs 34.35 lakh in one seller recital, Rs 4.85 lakh in a later statement and Rs 34.85 lakh as the AO's conclusion, while the stated addition is Rs 3,75,005. The printed figures are not arithmetically harmonised or corrected.; The Tribunal's treatment of the taxpayer's tax deposit as not conclusive acquiescence is attributed procedural history, not a rule that tax payments never have evidentiary consequences.; The report gives a broken period, not an express assessment-year number; none is inferred.; The judgment-writing comment is not a separate sanction against the High Court or its judges.

The narrative identifies the broken period 1 April 1998 to 8 December 1998, not a complete block period or an express assessment-year number.

STATUTORY SCOPE

Current statutory equivalence and 2025 Act applicability have not been verified.

LATER TREATMENT

Source checked 2026-10-04. Comprehensive subsequent judicial and statutory treatment has not been verified. Only the expressly identified bounded comparisons have been checked. No current-law or Income-tax Act, 2025 mapping is certified.

IDENTIFIED SOURCE LINKS

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

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