

M/s. Govind Impex (P) Ltd. & Ors. v. Appropriate Authority, Income Tax Department

Criminal Appeal No. 41 of 2006

[2010] 14 (Addl.) SCR 523 | 2010-12-07

Whether the particular nine-year lease with a further nine-year option constituted an extendable term within the historical section 269UA(f)(i) Explanation, defeating the attempt to quash the resulting prosecution.

269UA(f)(i) Explanation | 269UC | 278B | 276AB (contextual correction of printed 267AB; see caution) | 269UP (bounded later statutory context)

Two-judge bench | Harjit Singh Bedi, J. | Chandramauli Kr. Prasad, J.

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

Historical lease rule; quashing refused, no conviction

This decided the specific eighteen-year lease aggregate and permitted the criminal trial to continue. It did not convict the appellants. Section 269UP later excludes transfers from 1 July 2002; the checked CBDT explanation identifies the bar on fresh section 276AB proceedings from 1 April 2022. The official original uses Criminal Appeal 41/2006, unlike the conflicting SCR 2004/civil labels; both texts print 267AB. Later trial outcome and comprehensive treatment remain unverified.

01 FACTS OF THE CASE

The owners leased commercial premises from 1 June 1991 for nine years at Rs 2.5 lakh per month. Clause 1 expressly made the lease extendable for a further nine years at the lessee's option; clause 12 used renewal language, required advance notice, and envisaged a signed and registered renewal on the same terms. The appropriate authority considered Chapter XX-C and Form 37-I compliance applicable, rejected the owners' explanation and lodged a complaint. The Magistrate took cognizance (paragraph 1; official pages 1–2).

The challenge to the authority's decision was treated by the High Court as a section 482 CrPC application once prosecution had begun. The High Court refused quashing. The owners argued that renewal requiring a new instrument differed from extension and that strict penal construction supported their reading (paragraphs 2–5).

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

02 DISCUSSION BY THE HON'BLE COURT

The quoted Explanation aggregates the original term and terms for which the lease can be extended, using the statutory threshold of not less than twelve years. The Court proceeded on the assumption that extension, rather than mere renewal in the abstract, was required; it did not find it necessary to decide the cited precedents on the general difference between those concepts (paragraphs 5–6).

The deed had to be read as a whole. Clause 1 expressly permitted a further nine-year extension, while clause 12 prescribed the conditions for exercising the option. Read together, they contemplated eighteen years, and the lessor could not refuse continuation if the lessee fulfilled the conditions. The Court accepted the general principle of strict construction of penal statutes but found no ambiguity requiring it to isolate clause 12 or disregard clause 1 (paragraphs 6–7).

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

03 JUDICIAL DECISION

The appeal was dismissed. The statutory-coverage objection did not justify quashing the prosecution. The appellants were directed to appear before the Magistrate within six weeks of the judgment; the Magistrate was to conclude the trial within six months of their appearance. These were historical case-specific directions, not a Supreme Court conviction or a fresh present deadline (paragraphs 8–9).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue/appropriate authority at the quashing stage

Appeal dismissed; trial allowed to continue with appearance and expedition directions

Final on the argued lease-duration/quashing issue; criminal trial still pending under the judgment

No finding of final criminal guilt or later trial result. Applies to the specific deed and historical Chapter XX-C framework, subject to the later statutory limits separately identified.

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

05 AKHB REVIEW POINT

Read the actual extension option and its conditions together; labels such as renewal are not a substitute for the deed's enforceable structure. The statutory quotation says not less than twelve years, although some narrative passages say more than twelve; the eighteen-year aggregate made that drafting variation immaterial here. The case does not erase the renewal/extension distinction for every statute.

A bounded statutory check is essential: Finance Act 2002 section 100 inserted section 269UP, excluding transfers effected on or after 1 July 2002 from Chapter XX-C. CBDT Circular 23/2022 paragraphs 47.1–47.2 and 47.8 explain the section 276AB sunset barring fresh proceedings from 1 April 2022 while addressing previously launched cases. Those texts do not establish what ultimately happened in this trial or automatically extinguish every earlier proceeding. No current-law or 2025-Act certification is given.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Official identity, case year and date

Source url: [Open cited source](#)

Pdf pages: 1; 10

Paragraphs: Cover; signed ending

Source role: judicial text

2.

Topic: Lease, complaint and quashing proceedings

Source url: [Open cited source](#)

Pdf pages: 1; 2; 3; 4

Paragraphs: 1–4

Source role: judicial text

3.

Topic: Statutory quotation and lease clauses

Source url: [Open cited source](#)

Pdf pages: 5; 6; 7

Paragraphs: 5–6

Source role: judicial text

4.

Topic: Whole-deed construction and penal interpretation

Source url: [Open cited source](#)

Pdf pages: 8; 9

Paragraphs: 7

Source role: judicial text

5.

Topic: Trial directions and dismissal

Source url: [Open cited source](#)

Pdf pages: 9; 10

Paragraphs: 8–9

Source role: judicial text

6.

Topic: Reported case-number and penal-section discrepancies

Source url: [Open cited source](#)

Pdf pages: 1; 3; 4

Paragraphs: Cover; jurisdiction line; paragraph 1

Source role: reported metadata and judicial text

7.

Topic: Historical transfer cutoff

Source url: [Open cited source](#)

Section: Finance Act 2002 section 100 inserting section 269UP

Source role: bounded statutory comparison html

8.

Topic: Fresh-prosecution sunset and previously launched cases

Source url: [Open cited source](#)

Pdf pages: 92; 93

Paragraphs: 47.1–47.2 and 47.8

Source role: official CBDT explanatory circular

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Chandramauli Kr. Prasad, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SOURCE & VERIFICATION

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

Identified source rendition: 10 PDF pages; SHA-256

54069649bc95834dde40c275eb8dbc4676f6eca8466d6e1b94a6b4523cd73d55. Original bytes preserved.

Complete signed judicial text, all physical pages; no adjacent judgment or separate ROP.

[Open cited source rendition](#)

Official signed original says Criminal Appeal 41/2006. SCR cover says Criminal Appeal 41/2004 and its jurisdiction line says Civil Appeal 41/2004. Primary official original controls; conflicting reported forms are retained as a caution.

Official signed original says Criminal Appeal 41/2006. SCR cover says Criminal Appeal 41/2004 and its jurisdiction line says Civil Appeal 41/2004. Primary official original controls; conflicting reported forms are retained as a caution.; Both the official judgment paragraph 1 and SCR text print section 267AB. The section 276AB identification is explicitly editorial and supported by the official CBDT circular's exact description of noncompliance with sections 269UC/UE/UL; the original source is unchanged.; The authority's recorded view that noncompliance occurred is procedural background, not a Supreme Court criminal conviction.; No assessment year is stated; this is a transfer-compliance/prosecution dispute.

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

[official original judgment - PDF pages: 10](#)

SHA-256: 54069649bc95834dde40c275eb8dbc4676f6eca8466d6e1b94a6b4523cd73d55

[reported judgment - PDF pages: 9](#)

SHA-256: ef2eb064f8a7d048b5c5c53e6ffc5d0c8a0fed79fda5f11441a6554e276cf63a

[official department statutory reproduction html](#)

[official CBDT explanatory circular - PDF pages: 94](#)

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