

Commissioner of Income Tax-I v. M/s Rashtradoot (HUF)

Civil Appeal No. 2362 of 2019

[2019] 4 SCR 868 | 2019-02-27

Whether the High Court's dismissal of the Revenue's section 260A appeal after hearing both parties, without framing substantial questions or giving reasons for affirming the Tribunal, complied with the statutory appellate jurisdiction.

260A | 260A(3) | 260A(4) | 260A(5) | 260A(6)(a) | 260A(6)(b) | 260A(7)

2-judge bench; one judgment delivered by Abhay Manohar Sapre, J. | Abhay Manohar Sapre, J. | Dinesh Maheshwari, J.

Assessment years: 1987-88, 1988-89, 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98 (up to 4 September 1997, as stated in the judgment)

IMPORTANT: REASONED PROCEDURAL REMAND; BLOCK-ASSESSMENT MERITS OPEN

The judgment finally decides deficiencies in the section 260A disposal and leaves the underlying block-assessment merits undecided. The additional-question proviso belongs to 260A(4), while(5) concerns reasoned judgment/costs in the selected 2011 text. Exact historical/current statutory versions, comprehensive later treatment, post-remand outcome and Income-tax Act 2025 mapping remain unverified.

01 FACTS OF THE CASE

A search was conducted at the assessee's premises on 4 September 1997. The resulting block-assessment proceedings are described in paragraph 4 as covering 1 April 1987 to 4 September 1997, with AY 1987-88 through 1996-97 and 1997-98 up to 4 September 1997. These source labels are preserved together, without reconstructing their accounting-year correspondence. The Tribunal, Jaipur Bench, allowed the assessee's appeal and decided various issues in its favour on 24 May 2001 in I.T.S.S.A. No. 29/JP/2000. The report does not identify each underlying addition, amendment or monetary amount. [SCR 871; paras 2-5]

The Revenue appealed under section 260A. The Rajasthan High Court, Jaipur Bench, dismissed D.B. Income Tax Appeal 43/2002 on 25 October 2016 and affirmed the Tribunal. The High Court recited facts, arguments and counsel's names, then stated that the issue favoured the assessee and that its Relaxo precedent applied. The Supreme Court found no discussion explaining that conclusion. Civil Appeal 2362/2019 followed leave; the official SCI web-text heading additionally identifies SLP(C) 20075/2017. [SCR 871-872; paras 2-11; official SCI heading]

The quoted High Court passage refers generally to legislative amendments and prints the name as "Relaxo Foorwear". The Supreme Court does not identify the amendments, determine their effect or provide the precedent's full citation. The note therefore does not supply a substantive block-assessment holding from that incomplete quotation.

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

02 DISCUSSION BY THE HON'BLE COURT

The first defect was a want of reasons. The High Court's reference to what came before did not explain why the Tribunal was correct or the Revenue's grounds should fail: the preceding material contained facts and submissions rather than judicial reasoning. The second defect was the failure to frame a substantial question while disposing of the appeal after hearing both parties. The Supreme Court treated these as jurisdictional errors under section 260A, not merely stylistic deficiencies. [SCR 872-873; paras 8-11,15-16]

The judgment explains the available routes under section 260A, drawing an analogy with CPC 100 while noting the additional 260A(6)(a),(6)(b),(7) provisions. An appeal may be dismissed at the threshold because no substantial question arises; the judgment describes that in-limine route as before notice/hearing of the respondent. A question already framed can be answered against the appellant or found not to arise. An additional substantial question may be taken up with recorded reasons under the statutory proviso. An appeal can be allowed after formulation, hearing the respondent and answering the question for the appellant. Applied here, the High Court should have framed the questions and explained its answers rather than disposing of the matter through unexplained affirmance. These observations are tied to the actual unreasoned disposal; they do not remove the substantial-question threshold or make notice by itself conclusive admission. [SCR 872-873; paras 12-16]

Paragraph 14 refers to the proviso to 260A(4) and 260A(5) together. In the selected 2011 statutory text, the additional-question proviso is attached to(4);(5) requires the reasoned judgment and addresses costs. The note keeps those functions separate and does not invent a separate proviso to(5). The 2011 compilation corroborates the structure but is not presented as a verified 2019 Gazette or current-law text. [SCR 873; para 14; DOR physical 915]

The Court emphasised that a decision resolving the parties' dispute must disclose the reasons for its conclusion so an appellate court can assess its legality. Paragraph 19 cites *State of Maharashtra v. Vithal Rao Pritirao Chawan*,(1981)4SCC129; *Jawahar Lal Singh v. Naresh Singh*,(1987)2SCC222; *State of U.P.v. Battan*,(2001)10SCC607; *Raj Kishore Jha v. State of Bihar*,(2003)11SCC519; and *State of Orissa v. Dhaniram Luhar*,(2004)5SCC568. Their role is the reasoned-decision principle as relied upon by this judgment. Their entire texts and subsequent treatment have not been independently reviewed here. [SCR 873-874; paras 17-19]

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

03 JUDICIAL DECISION

The Supreme Court allowed Civil Appeal 2362/2019, set aside the Rajasthan High Court's 25 October 2016 order and remitted the Revenue's appeal for a fresh decision on merits in accordance with law. It did not itself formulate a numbered set of substantive tax questions. Paragraph 21 expressly withheld any opinion on the underlying merits and required the High Court to decide uninfluenced by the Supreme Court's observations. No express costs direction appears. The procedural success does not sustain any unidentified block addition or determine a tax liability. [SCR 874; paras 20-21]

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue on the procedural appeal only

Allowed; High Court order set aside; fresh High Court decision requested

Final reasoned Supreme Court ruling on 260A jurisdiction and reasons; underlying block-assessment issues remain open

The underlying block-assessment merits remain undecided; the Supreme Court expressed no opinion on them and ordered a fresh High Court decision.

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

05 AKHB REVIEW POINT

A section 260A order should disclose the route it takes: rejection because no substantial question arises, determination of a formulated question, or a reasoned conclusion that a framed question does not arise. A recital of the parties' positions followed by a bare affirmation does not itself show that analysis. When reviewing a judgment for appeal, identify the missing judicial step and the question it affects, rather than merely asking for more words.

Read the formulation requirement with the statutory threshold and the reasoned additional-question proviso. The 2011 compilation places that proviso and the respondent's objection in subsection (4), and the duty of a reasoned judgment in(5). Do not turn the report's combined citation into a second proviso or assume that every matter in which a respondent appears must be admitted.

The result restores a fair statutory appellate decision; it does not resolve the underlying block-assessment amendments, endorse Relaxo's substantive application or quantify a tax benefit. The block dates/ay labels are reproduced as the judgment states them. Before relying on the decision, confirm the relevant statutory version, subsequent authorities and the result after remand. The bounded searches did not establish later treatment of Rashtradoot, publication currentness or any Income-tax Act 2025 mapping.

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

DETAILED DISPOSITION AND CONNECTED GROUPS

Costs: Not expressly addressed

Monetary relief: No amount, refund, payment obligation or tax computation decided.

INDIVIDUAL PROCEEDING OUTCOMES

1.

Case number: Civil Appeal No. 2362 of 2019

Originating special leave petition: SLP(C) No. 20075 of 2017; official SCI web-text heading, lines0–10

Underlying proceeding: Rajasthan High Court, Jaipur Bench, D.B. Income Tax Appeal 43/2002;25 October 2016

Tribunal proceeding: ITAT Jaipur, I.T.S.S.A. No. 29/JP/2000;24 May 2001, assessee appeal allowed

Other prior proceedings: Search 4 September 1997 and ensuing block assessment; assessing-authority order date/number and quantified issues are not supplied.

Outcome: Revenue's Supreme Court appeal allowed; High Court order set aside; Revenue's appeal remitted for fresh reasoned decision. No Supreme Court decision on block-assessment merits.

Costs: No express costs direction in the judgment.

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Label: Physical 1/SCR 868: report identity; editorial headnote

Source url: [Open cited source](#)

Pdf pages: 1

2.

Label: Physical 2-3/SCR 869-870: editorial summary, precedents, High Court recital and counsel, not separately treated as ratio

Source url: [Open cited source](#)

Pdf pages: 2; 3

3.

Label: Physical 4/SCR 871, paras 1-7: complete available procedural and block-assessment background

Source url: [Open cited source](#)

Pdf pages: 4

4.

Label: Physical 5/SCR 872, paras 8-13: quotation of deficient High Court reasoning and jurisdictional comparison

Source url: [Open cited source](#)

Pdf pages: 5

5.

Label: Physical 6/SCR 873, paras 14-18: possible statutory routes, subsection caution and reasons requirement

Source url: [Open cited source](#)

Pdf pages: 6

6.

Label: Physical 7/SCR 874, paras 19-21: cited reasons authorities, remand and no merits opinion

Source url: [Open cited source](#)

Pdf pages: 7

SPECIFIED LATER-TREATMENT FINDINGS AND LIMITS

Status: not verified

Discussion: No later treatment established by the limited official-domain search. Current authority and post-remand outcome are unverified.

Checks

1.

Status: not established by bounded search

Access date: 2026-10-06

Scope: Quoted-name searches restricted to SCI/api.sci.gov. in and selected official High Court domains; returned the target judgment but did not establish a later judicial treatment source.

Limits: Search absence is not proof of no later decision, reversal, distinction or continuing authority. No exhaustive citator or post-remand check.

AMOUNTS AND THEIR DISTINCT REPORTED ROLES

1.

Amount inr: Not stated in the reviewed record

Role: No quantified addition, assessed income, tax, penalty, refund, interest or costs amount is supplied in the retained judgment; none is inferred.

REPORTED SOURCE ANOMALIES AND THEIR LIMITS

Paragraph 4's block interval and assessment-year labels are preserved verbatim in substance, without silently reconciling their calendar correspondence.; The quoted High Court passage prints Relaxo Footwear and does not identify the amendments/full citation. No silent correction or independent substantive holding is attributed to it.; Paragraph 14 jointly cites the proviso to 260A(4) and 260A(5); the selected statute attaches the additional-question proviso to(4) and reasoned judgment/costs to(5).; Physical 1-3 contain headnotes, case-law reference, appellate recital and counsel; the judgment begins onphysical4. Devika Gujral is the reporter credit, not a judge.; The retained reported PDF has no judicial signature block. The supplementary official web text displays typed judge-name lines and date; no signature image or cryptographic signature validation is claimed.

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

260A: operative statutory jurisdiction, formulation, hearing and reasoned disposal.; 260A(6)(a),(6)(b),(7): mentioned while comparing the income-tax appellate provision with CPC 100, not separately adjudicated.; CPC 100: analogy expressly drawn in paragraph 12; its complete historical statutory text is not independently reviewed.; Underlying block-assessment provisions are not numbered in the judgment; no charging/assessment section is supplied by inference.

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Abhay Manohar Sapre, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SPECIFIED STATUTORY CHECKS AND THEIR LIMITS

1.

Source: Department of Revenue-hosted Taxmann Income-tax Act 2011 compilation

Url: [Open cited source](#)

Access date: 2026-10-06

Version: 2011 compilation, title leaf verified at physical page 2

Pinpoint: Selected full physical pages 2,914-915; printed1.873-1.874; section 260A and amendment annotations 43,46-51

Result: Subsection(2)(c) describes the memorandum question; (3) requires judicial formulation; (4) contains hearing on the formulated question, the respondent objection and the reasoned additional-question proviso; (5) requires a reasoned judgment and permits costs. Note43 dates the insertion of 260A/260B to 1 October 1998. The bracketed National Tax Tribunal words are footnoted as a future-notified insertion in this edition, not operative current law verified here.

Status: bounded historical text and images verified

Limits: Three of 1251 physical pages only. This is not an independently authenticated exact 2016/2017/2019 enacted text, a complete statutory amendment chain or present-law certification. No new request to the stopped 2024(No. 2)260A endpoint or its alternate route.

SPECIFIED LATER TREATMENT CHECKS AND THEIR LIMITS

1.

Status: not established by bounded search

Access date: 2026-10-06

Scope: Quoted-name searches restricted to SCI/api.sci.gov. in and selected official High Court domains; returned the target judgment but did not establish a later judicial treatment source.

Limits: Search absence is not proof of no later decision, reversal, distinction or continuing authority. No exhaustive citator or post-remand check.

MAJORITY, DISSENT AND OPERATIVE COURT ORDER

One judgment of the Court; no separate concurrence or dissent. Reporter credits are not judicial opinions.

PDF TEXT-ONLY SOURCE CHECKS AND READING LIMITS

1.

Source role: auxiliary only

Title: Official SCI web-derived text of this Rashtrdoot judgment

Url: [Open cited source](#)

Read bounds: Complete judicial web text paragraphs 1-21 and heading/closing lines, web lines0-184, reported PDF positions1-10; used additionally for SLP(C) 20075/2017 and typed closing identification. All substantive note discussion rests independently on the fully read frozen SCR report.

Raw pdf retained: False

Sha256: Not stated in the reviewed record

Page images read: False

Source url: [Open cited source](#)

Pdf pages basis: Reported by web text extraction; no locally retained raw PDF integrity or page-image verification

Pinpoint: Complete judicial web text paragraphs 1-21 and heading/closing lines, web lines0-184, reported PDF positions1-10; used additionally for SLP(C) 20075/2017 and typed closing identification. All substantive note discussion rests independently on the fully read frozen SCR report.

File bytes: Not stated in the reviewed record

Source sha256: Not stated in the reviewed record

Reported web pdf pages: 10

Source format: web extracted pdf text

Provenance: Official web-extracted PDF text only; the reported page count is not a retained raw PDF or page-image verification. Exact read bounds and count basis are preserved.

RETAINED PDF SOURCE CHECKS AND READING LIMITS

1.

Source role: auxiliary only

Title: Department of Revenue-hosted Taxmann Income-tax Act 2011 compilation

Url: [Open cited source](#)

Sha256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

Source sha256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

Source file:

batch_aestate_rashtrdoot_fresh_review/auxiliary/DOR_IT_Act_English_2011_compilation.pdf

Pinpoint: Selected full physical pages 2,914-915; printed1.873-1.874; section 260A and amendment annotations 43,46-51

Full document read: False

Source url: [Open cited source](#)

Pdf pages: 1251

File bytes: 8394755

Physical pages read: 2; 914; 915

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(identified source\)](#)

Identified source rendition: 7 PDF pages; SHA-256

747932d068714179b1ae9489457006d80ad246f2aed8bce1d547ebde3528019d. Original bytes preserved. Entire 7-page SCR 868-874 report. Headnotes pp1-3 and case-law recital kept separate; judgment paras 1-21 pp4-7. No adjacent-case text. No judicial signature block/handwritten signatures; report heading and delivered-by line confirm both judges and Abhay Manohar Sapre authorship. Reporter Devika Gujral is not a judge.

[Open cited source rendition](#)

all frozen primary text and image pages read

headnote and judgment separated

subsection4 and5 caution explicit

procedural finality separated from tax merits

no costs order invented

publication currentness unverified

no2025 mapping claim

author eligibility is not approval or publication

Paragraph 4 itself pairs a block period 1 April 1987-4 September 1997 with AY 1987-88 through 1996-97 and 1997-98 up to 4 September 1997. The source's interval and AY labels are retained as stated; no correction or reconstructed previous-year computation is asserted.

STATUTORY SCOPE

Not verified; no numerical equivalence, transition/savings conclusion or automatic carryover.

LATER TREATMENT

Source checked 2026-10-06. not_verified

IDENTIFIED SOURCE LINKS

[identified source - PDF pages: 7](#)

SHA-256: 747932d068714179b1ae9489457006d80ad246f2aed8bce1d547ebde3528019d

[Department of Revenue-hosted Taxmann Income-tax Act 2011 compilation - PDF pages: 1251](#)

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

[Official SCI web-derived text of this Rashtrdoot judgment](#)

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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