

Commissioner of Income Tax, Jaipur v. M/s Gopal Shri Srips Pvt. Ltd.

Civil Appeal No. 2922 of 2019

[2019] 4 S.C.R. 704 | 2019-03-12

Could the High Court dismiss the Revenue's section 260A appeal as infructuous solely because the assessee company had been struck off and dissolved, without considering the statutory provisions governing continuing liabilities?

260A | Chapter XV(L)

Two judges | Abhay Manohar Sapre | Dinesh Maheshwari

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

IMPORTANT: APPEAL RESTORED; TAX AND PERSONAL LIABILITY UNDECIDED

Gopal rejects an unexamined infructuous dismissal after company strike-off and remands the Revenue appeal. It does not determine tax merits, validate every notice/assessment against a dissolved company, impose director liability or revive the company. Exact applicable-year/current law, comprehensive later treatment and post-remand outcome remain unverified. The 2025 comparison is limited to appellate section 365 and selected commencement/savings text; the multi-statute liability framework is not fully mapped. The primary is an unchanged eSCR-mirror report, not an independently authenticated signed original.

01 FACTS OF THE CASE

The Income-tax Department appealed under section 260A against the ITAT's order dated 28 April 2000 in ITA 226/JP/1999. The Rajasthan High Court at Jaipur dealt with that appeal as DBITA 53 of 2000. After asking about the company's status, it was shown a Registrar of Companies communication dated 7 April 2011 stating that Gopal Shri Scrips Pvt. Ltd. had been struck off under section 560(5) of the Companies Act 1956 and dissolved. The communication's date is not separately proved to be the date on which the statutory dissolution took effect.

On 9 August 2016 the High Court treated the appeal as infructuous: because the respondent no longer existed, it considered that examining the substantial question of law would serve no purpose. Its quoted order preserved liberty to apply if an occasion arose later. The Revenue challenged that dismissal in the Supreme Court. The report's appearance list credits T. R. B. Sivakumar for the respondent, but paragraph 8 specifically records that nobody appeared for the respondent though served; the list is not treated as proof of an actual appearance at the hearing.

The underlying assessment year, tax issue, proposed substantial question and amount are not set out in this Supreme Court judgment. Its immediate issue was the legal basis for terminating the pending Revenue appeal, rather than the correctness of an assessment or the identity of a person ultimately liable.

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

02 DISCUSSION BY THE HON'BLE COURT

The Court isolated the question as whether the High Court was justified in dismissing the Revenue appeal as infructuous. It read the quoted High Court order as proceeding from a single premise: dissolution following strike-off meant that an appeal against the company no longer survived. The Court rejected that premise as an adequate legal basis for dismissal(paragraphs 7,10-12; physical 3-4/SCR 706-707).

The error lay in the statutory provisions the High Court had omitted. Paragraph 13 identifies section 560(5) proviso(a) of the Companies Act 1956 and Chapter XV, clause(L), of the Income-tax Act 1961, dealing with discontinuance of business or dissolution. Paragraphs 14-15 explain that the relevant provisions govern how liabilities arising under the two statutes are to be dealt with when a company's name has been struck off. Because the High Court had not considered them, its order could not stand(paragraph 16; physical 4/SCR 707). This is a reasoned rule about deciding the survival and disposal of a statutory tax appeal after strike-off.

The holding must remain within that reasoning. The Court did not assess the underlying tax, declare that any specified director/member was liable, order recovery against anyone, or restore the company's name to the register. A bounded official historical Companies Act compilation separately shows proviso(a) continuing the liability, if any, of the listed persons. That conditional wording supports caution against converting the remand into automatic personal liability. It is auxiliary statutory context, not an extra Supreme Court determination.

The separately read 2011 Income-tax compilation places sections 176-178 under Chapter XV(L); section 179 appears under a different heading, M, for private companies. This explains the referenced heading only. Gopal itself neither selects an individual 176-178 route nor rules on the conditions of 179. The historical compilation does not authenticate every amendment or the exact operative statutory version for an unstated assessment year.

The consequence was a fresh High Court merits hearing under the relevant statutory framework. Paragraphs 17-18 expressly preserve the merits: the High Court must decide uninfluenced by the Supreme Court's observations on them, and the Supreme Court refrains from deciding the underlying controversy. Because the appeal was old, the Court requested disposal preferably within six months; this is not a finding that disposal later occurred(physical 4-5/SCR 707-708).

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

03 JUDICIAL DECISION

The Revenue's civil appeal was allowed. The High Court's 9 August 2016 dismissal as infructuous was set aside, and the matter was remanded for a fresh merits decision in accordance with the relevant Companies Act and Income-tax Act provisions. The Supreme Court reserved the tax merits and requested the High Court to decide the old appeal preferably within six months (paragraphs 17-18).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue on the appeal-survival issue only

Appeal allowed; infructuous dismissal set aside; matter remanded to the High Court

Final Supreme Court ruling that strike-off did not justify the unexamined dismissal; underlying tax controversy, liability and quantum expressly undecided

The result restores a merits hearing with the relevant liability provisions considered. It is not blanket validation of assessments/notices against all dissolved companies, a director-liability adjudication, or an order reviving the company. Actual post-remand disposal remains unverified.

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

05 AKHB REVIEW POINT

Before treating a tax appeal involving a struck-off company as infructuous, identify the precise strike-off regime and consider the relevant statutory liability provisions. Keep the appeal-survival ruling separate from whether the assessment, service, recovery route or a particular person's liability is legally established. The merits and application of those provisions remained for the High Court.

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

DETAILED DISPOSITION AND CONNECTED GROUPS

Costs: No express costs direction appears in the primary judgment.

Monetary relief: No amount quantified, tax demand sustained, refund ordered or personal recovery directed.

INDIVIDUAL PROCEEDING OUTCOMES

1.

Proceeding: Civil Appeal 2922 of 2019

Party: Revenue appellant

Result: Allowed on the stated remand basis

2.

Proceeding: Rajasthan High Court DBITA 53 of 2000

Result: 9 August 2016 infructuous dismissal set aside; fresh decision requested, preferably within six months

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Label: Identity and editorial headnote; SCR 704

Source url: [Open cited source](#)

Pdf pages: 1

2.

Label: Appeal history, quoted High Court order and issue; SCR 705–706, paragraphs 1–9

Source url: [Open cited source](#)

Pdf pages: 2; 3

3.

Label: Statutory reason for rejecting infructuous dismissal; SCR 707, paragraphs 10–16

Source url: [Open cited source](#)

Pdf pages: 4

4.

Label: Allowed appeal, remand, express merits reservation and preferred six-month disposal; SCR 707–708, paragraphs 17–18

Source url: [Open cited source](#)

Pdf pages: 4; 5

QUANTIFICATION AND MONETARY LIMITS

The primary judgment states no tax amount, addition, refund, penalty, interest calculation or quantified relief.

REPORTED SOURCE ANOMALIES AND THEIR LIMITS

Reporter appearance credit for T. R. B. Sivakumar differs from paragraph 8's record that no respondent appeared though served; both statements are attributed without reconciliation by assumption.; No underlying substantial question, assessment year or tax amount is supplied in the judgment.; Official SCI parallel PDF full-text access timed out. Its search heading suggests SLP 10639/2017 only; no full parallel or signature verification.

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

Section 260A supplied the Revenue appellate route. Paragraph 13 identifies Chapter XV on liability in special cases and clause(L), discontinuance of business or dissolution, together with Companies Act 1956 section 560(5) proviso(a). The Court does not specify or adjudicate individual 176–178 conditions, 179 director liability, or another substantive tax provision.

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Abhay Manohar Sapre

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SPECIFIED STATUTORY CHECKS AND THEIR LIMITS

1.

Source url: [Open cited source](#)

Bounds: Eight complete selected pages. Title 2011 at 2; historical Chapter XV(L) beginning 176 and continuing 177-178 at 775-778, followed by M/privatecompanies 179 at 778 and N/specialincome 180-180A boundary at 779. Section 260A heading/opening and annotation at 914, full 260A(2)-(7) and 260B opening at 915. Surrounding provisions are read only as boundary/context, not asserted as Gopal holdings.

Status: historical selected text/images checked; exact applicable-year law not certified

2.

Source url: [Open cited source](#)

Bounds: Title and section 1(3), lines 0-13; complete displayed section 365(1)-(10), lines 18617-18652, reported physical 451-452; bounded section 536(1), (2)(a)-(e), lines 24385-24408, reported physical 584-585. Section 320 and beginning 321 were also inspected at 16901-16949 as context; no complete Chapter XV(L) successor mapping is claimed. Additional bounded section 536(3)-(4), lines 24597-24601, reported physical page 589, read from the coordinator-retained exact official web capture. No intervening or complete savings-chain review is claimed.

Status: bounded appellate/commencement/savings web text checked; no complete transition certification

3.

Source url: [Open cited source](#)

Bounds: Displayed section 560(1)-(7), lines 14347-14385, reported physical 224-225; reliance limited to 560(5)(a), lines 14364-14372. No claim to read remaining 560 subsections or authenticate every amendment/operative-date version.

Status: bounded historical 560(5)(a) web text; no full operative/current-company-law verification

SPECIFIED LATER TREATMENT CHECKS AND THEIR LIMITS

1.

Source url: [Open cited source](#)

Court: Income Tax Appellate Tribunal, Mumbai

Case: Chandan Raltors P. Ltd. v. ITO 14(1)(1), ITA 761/Mum/2021, 18 February 2025

Finding: Later Tribunal discussion/application: rejected the struck-off-company challenge under its 2013 Companies Act setting after following its earlier own-case ruling, whose nested discussion cites Gopal. The appeal was overall partly allowed statistically because a separate quantum issue was remanded. This does not enlarge the 2019 Supreme Court ratio or establish exhaustive currentness.

Actual read bounds: Noncontiguous exact retained lines

0-29,495-640,650-676,683-688,738-743,790-946; reported positions 1,16-24,26-32 within a 32 page tool-reported PDF. Header, struck-off issue/nested own-case and Dwaraka reasoning, and operative disposition reviewed; intervening gaps remain unreviewed.

Limit: Later Tribunal discussion/application through nested prior own-case and Dwaraka reasoning, not a subsequent Supreme Court reaffirmation or enlargement of Gopal. Different issue-specific statutory and factual setting.

Source anomalies: Paragraph 7 calls the struck-off issue Ground 2; paragraph 8.3 labels its dismissal Ground 3. The issue is described by subject. Garbled web text in nested quotations is not silently repaired into a broader legal rule.

MAJORITY, DISSENT AND OPERATIVE COURT ORDER

One judgment of the Court; no separate concurrence or dissent appears in the bounded report.

BOUNDED NON-PDF SOURCES AND READING LIMITS

1.

Kind: bounded official web text

Source role: auxiliary only

Title: Gopal Shri Scrips, official SCI search heading only; full parallel access failed

Url: [Open cited source](#)

Source url: [Open cited source](#)

Source format: official search excerpt only

Reported web pdf pages: Not stated in the reviewed record

Pdf pages: Not stated in the reviewed record

Sha256: Not stated in the reviewed record

Source sha256: Not stated in the reviewed record

File bytes: Not stated in the reviewed record

Source file: Not stated in the reviewed record

Raw pdf retained: False

Raw source retained: False

Physical text pages read:

Physical image pages read:

Page images read: False

Full document read: False

All document images read: False

Read bounds: Official indexed opening heading only: Civil Appeal 2922/2019, arising from SLP(C)10639/2017 and party names. Full web open timed out; no full judicial text from this endpoint was read.

Limitation: Tool-reported web text and positions only; no original PDF bytes/hash, page-image inspection or signature authentication. Only the stated bounds were reviewed.

Reading completed at utc: 2026-10-06T17:33:19.040173+00:00

Access status: STOP AFTER TIMEOUT NO RAW OR IMAGE RETRY

Finding: The SLP number is a qualified auxiliary identity lead. Displayed digital-signature metadata July 2019 is not substituted for the judgment date 12 March 2019, which was read in the retained primary report.

PDF TEXT-ONLY SOURCE CHECKS AND READING LIMITS

1.

Kind: bounded official web text

Source role: auxiliary only

Title: Income-tax Act 2025 [30 of 2025], official compilation as amended by Finance Act 2026

Url: [Open cited source](#)

Source url: [Open cited source](#)

Source format: web extracted pdf text

Reported web pdf pages: 686

Pdf pages: Not stated in the reviewed record

Sha256: Not stated in the reviewed record

Source sha256: Not stated in the reviewed record

File bytes: Not stated in the reviewed record

Source file: Not stated in the reviewed record

Raw pdf retained: False

Raw source retained: False

Physical text pages read:

Physical image pages read:

Page images read: False

Full document read: False

All document images read: False

Read bounds: Title and section 1(3), lines 0-13; complete displayed section 365(1)-(10), lines 18617-18652, reported physical 451-452; bounded section 536(1), (2)(a)-(e), lines 24385-24408, reported physical 584-585. Section 320 and beginning 321 were also inspected at 16901-16949 as context; no complete Chapter XV(L) successor mapping is claimed. Additional bounded section 536(3)-(4), lines 24597-24601, reported physical page 589, read from the coordinator-retained exact official web capture. No intervening or complete savings-chain review is claimed.

Limitation: Tool-reported web text and positions only; no original PDF bytes/hash, page-image inspection or signature authentication. Only the stated bounds were reviewed.

Reading completed at utc: 2026-10-06T17:33:19.040173+00:00

Current law certification: False

Verified correspondence scope: Only the appellate structure of 1961 section 260A compared with 2025 section 365: memorandum 365(2)(b), formulation 365(4), hearing/respondent objection 365(5), further substantial question 365(6), reasoned decision 365(7). Commencement and limited savings text are separately identified; not an automatic transplant to saved proceedings.

Additional savings qualification: Selected additional official text at lines 24597–24601, reported physical page 589, was read: section 536(3) construes references to a tax year beginning 1 April 2025 or earlier as the corresponding previous year under the repealed Act; subsection (4) preserves General Clauses Act 1897 section 6. Section 536(2) is expressly subject to subsection (4). The full General Clauses Act/application chain and fact-specific transition consequences have not been independently checked.

Additional savings read bounds: Lines 24597–24601 only; reported physical 589.

Additional savings read recorded at utc: 2026-10-06T17:35:04.135613+00:00

Reading completed at utc scope: The original bounded statutory reading, before the separately recorded section 536(3)–(4) supplement. The original timestamp is preserved; the later supplemental timestamp and exact bounds appear separately.

2.

Kind: bounded official web text

Source role: auxiliary only

Title: Companies Act 1956, India Code-hosted historical compilation, section 560

Url: [Open cited source](#)

Source url: [Open cited source](#)

Source format: web extracted pdf text

Reported web pdf pages: 332

Pdf pages: Not stated in the reviewed record

Sha256: Not stated in the reviewed record

Source sha256: Not stated in the reviewed record

File bytes: Not stated in the reviewed record

Source file: Not stated in the reviewed record

Raw pdf retained: False

Raw source retained: False

Physical text pages read:

Physical image pages read:

Page images read: False

Full document read: False

All document images read: False

Read bounds: Displayed section 560(1)–(7), lines 14347–14385, reported physical 224–225; reliance limited to 560(5)(a), lines 14364–14372. No claim to read remaining 560 subsections or authenticate every amendment/operative-date version.

Limitation: Tool-reported web text and positions only; no original PDF bytes/hash, page-image inspection or signature authentication. Only the stated bounds were reviewed.

Reading completed at utc: 2026-10-06T17:33:19.040173+00:00

Finding: Proviso(a) preserves liability, if any, of listed directors/managers/officers/members. This is a conditional continuation of liability; it is not a finding that a particular person owes tax or that every dissolved company is revived.

Source stop respected: Prior raw-download and image-retry stops respected; web-text access only.

3.

Kind: bounded official web text

Source role: auxiliary only

Title: Chandan Raltors P. Ltd. v. ITO 14(1)(1), Mumbai; ITA 761/Mum/2021; 18 February 2025

Url: [Open cited source](#)

Source url: [Open cited source](#)

Source format: web extracted pdf text

Reported web pdf pages: 32

Pdf pages: Not stated in the reviewed record

Sha256: Not stated in the reviewed record

Source sha256: Not stated in the reviewed record

File bytes: Not stated in the reviewed record

Source file: Not stated in the reviewed record

Raw pdf retained: False

Raw source retained: False

Physical text pages read:

Physical image pages read:

Page images read: False

Full document read: False

All document images read: False

Read bounds: Noncontiguous exact retained lines 0-29,495-640,650-676,683-688,738-743,790-946; reported positions 1,16-24,26-32 within a 32 page tool-reported PDF. Header, struck-off issue/nested own-case and Dwaraka reasoning, and operative disposition reviewed; intervening gaps remain unreviewed.

Limitation: Tool-reported web text and positions only; no original PDF bytes/hash, page-image inspection or signature authentication. Only the stated bounds were reviewed.

Reading started at utc: 2026-10-06T17:28:55.139474+00:00

Reading completed at utc: 2026-10-06T17:29:23.687180+00:00

Finding: Later Tribunal discussion/application: rejected the struck-off-company challenge under its 2013 Companies Act setting after following its earlier own-case ruling, whose nested discussion cites Gopal. The appeal was overall partly allowed statistically because a separate quantum issue was remanded. This does not enlarge the 2019 Supreme Court ratio or establish exhaustive currentness.

Source anomalies: Paragraph 7 calls the struck-off issue Ground 2; paragraph 8.3 labels its dismissal Ground 3. The issue is described by subject. Garbled web text in nested quotations is not silently repaired into a broader legal rule.

Source stop respected: Coordinator screenshot attempts all cache-missed; no new raw or image acquisition attempted.

RETAINED PDF SOURCE CHECKS AND READING LIMITS**1.****Kind:** historical statutory compilation**Source role:** auxiliary only**Title:** Department of Revenue-hosted Taxmann Income-tax Act 2011 compilation**Url:** [Open cited source](#)**Source url:** [Open cited source](#)**Source format:** retained pdf selected text and images**Source file:**

batch_aaestate_rashtradoot_fresh_review/auxiliary/DOR_IT_Act_English_2011_compilation.pdf

Filename: DOR_IT_Act_English_2011_compilation.pdf**Sha256:** 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b**Source sha256:** 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b**File bytes:** 8394755**Pdf pages:** 1251**Physical text pages read:** 2; 775; 776; 777; 778; 779; 914; 915**Physical image pages read:** 2; 775; 776; 777; 778; 779; 914; 915**Full document read:** False**All document images read:** False**Read bounds:** Eight complete selected pages. Title 2011 at 2; historical Chapter XV(L) beginning 176 and continuing 177–178 at 775–778, followed by M/privatecompanies 179 at 778 and N/specialincome 180–180A boundary at 779. Section 260A heading/opening and annotation at 914, full 260A(2)–(7) and 260B opening at 915. Surrounding provisions are read only as boundary/context, not asserted as Gopal holdings.**Reading started at utc:** 2026-10-06T17:23:24.842027+00:00**Reading completed at utc:** 2026-10-06T17:25:13.223204+00:00**Raw source reused not recopied:** True**Version limit:** Historical 2011 compilation with editorial annotations, including National Tax Tribunal changes labelled not yet notified. It does not establish every amendment or the precise operative 2019/assessment-year/current version. Sections 176–178 identify the displayed Chapter XV(L); section 179 is under separate M. No other liability provision is treated as adjudicated in Gopal.**SOURCE & VERIFICATION**[Hon'ble Supreme Court source PDF \(primary\)](#)

Identified source rendition: 5 PDF pages; SHA-256

8f8096c71a039e2718c3d94e2a381627c7e175deeb45d98ccef9d2ad5a8c8749. Original bytes preserved.

All five physical pages: SCR 704–708; editorial heading/headnote on pages 1–2; complete judicial paragraphs 1–18 on pages 2–5. No neighbouring judgment.

[Open cited source rendition](#)

full primary text and all images read

metadata and printed identity separately preserved

tax merits expressly reserved

no tax amount or assessment year inferred

comprehensive later treatment unverified

bounded2025appellate comparison only

No assessment year is stated in the bounded primary judgment; none is inferred from a docket or later case.

A complete reasoned final Supreme Court judgment decides a concrete legal objection to the survival/disposal of a section 260A appeal and gives its statutory basis in the 1961 Act and 1956 Companies Act. It is not merely an adjournment, listing order, unexplained remand or routine case-management direction. The reserved assessment merits narrow the note; they do not erase the decided appellate rule.

STATUTORY SCOPE

status: bounded_appellate_correspondence_only; verified comparison: 1961 section 260A's appellate structure corresponds in the checked 2025 compilation to section 365: memorandum 365(2)(b), formulation 365(4), hearing/respondent objection 365(5), additional substantial question 365(6), reasoned decision 365(7).; savings limit: Section 1(3) states commencement on 1 April 2026. Bounded text of section 536(1), (2)(a)–(e), and (3)–(4) was read. Subsection (2) is expressly subject to (4); subsection (3) explains old-tax-year construction and subsection (4) preserves General Clauses Act 1897 section 6. These are selected savings provisions, not a complete transition analysis or independent check of the General Clauses Act/application chain. Do not automatically relabel a saved 1961 Act appeal as a section 365 proceeding.; unmapped: No comprehensive mapping of Chapter XV(L)/176–178, the 1956/2013 Companies Acts, every amendment, or Gopal's multi-statute liability framework is claimed. The incidental 320 text check is not treated as that mapping.; additional savings qualification: Selected additional official text at lines 24597–24601, reported physical page 589, was read: section 536(3) construes references to a tax year beginning 1 April 2025 or earlier as the corresponding previous year under the repealed Act; subsection (4) preserves General Clauses Act 1897 section 6. Section 536(2) is expressly subject to subsection (4). The full General Clauses Act/application chain and fact-specific transition consequences have not been independently checked.

LATER TREATMENT

Source checked 2026-10-06. One bounded official Tribunal example was checked, including operative rejection of the struck-off challenge and a separate statistical quantum remand. Targeted official-domain searches and an inaccessible Madhupala lead do not constitute a complete later-treatment search. No comprehensive currentness, overruling-negative or Gopal post-remand result is certified.

IDENTIFIED SOURCE LINKS

[primary - PDF pages: 5](#)

SHA-256: 8f8096c71a039e2718c3d94e2a381627c7e175deeb45d98cce9d2ad5a8c8749

[historical statutory compilation - PDF pages: 1251](#)

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

[Income-tax Act 2025 \[30 of 2025\], official compilation as amended by Finance Act 2026](#)

[Companies Act 1956, India Code-hosted historical compilation, section 560](#)

[Gopal Shri Scrips, official SCI search heading only; full parallel access failed](#)

Chandan Raltors P. Ltd. v. ITO 14(1)(1), Mumbai; ITA 761/Mum/2021; 18 February 2025

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.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.