

Shatrusailya Digvijaysingh Jadeja v. Commissioner of Income Tax, Rajkot

Civil Appeal No. 4403 of 2003 and connected proceedings (full list below)

[2005] Supp. 2 SCR 1115 | 2005-09-01

Whether the High Court could additionally require interest on the amount to be determined under the 1998 Scheme after the designated authority had wrongly rejected the declarations.

Two-judge bench | B.P. Singh, J. | S.H. Kapadia, J.

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

Interest-only relief in eight separate assessee appeals

The additional interest direction was set aside because the Scheme amount first required lawful ascertainment and the declarations had been wrongly rejected. This is fact-specific relief, not a general exemption from tax interest or post-certificate payment requirements. Eligibility was upheld in the distinct reciprocal Revenue appeal, Civil Appeal 4411/2003. No rate, refund amount or assessment-year allocation is supplied; current law and comprehensive later treatment remain unverified.

01 FACTS OF THE CASE

The assessee challenged rejection of his Scheme declarations. On 25 September 2002, the Gujarat High Court held them competent because the revision applications were pending when the declarations were filed. It directed the designated authority to determine the amount and issue a section 90(1) certificate, but added a direction requiring interest. These eight assessee appeals challenged only that additional direction (physical pages 2-3/SCR 1116 F-1117 D).

The Court recorded that its separately pronounced judgment in Revenue's Civil Appeal 4411/2003 upheld the declarations' competence. Eligibility was therefore the subject of the reciprocal appeal, not a fresh merits question in this interest-only group (physical page 3/SCR 1117 B-C).

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

02 DISCUSSION BY THE HON'BLE COURT

The Court treated the Scheme as a recovery scheme with tax arrears outstanding as at 31 March 1998. The designated authority had to determine the arrears, disputed tax and amount payable for each year, taking account of relevant tax payments, and then issue the statutory certificate. The judgment notes the 60-day determination period and the section 92 appeal bar (physical pages 3-4/SCR 1117 G-1118 B).

On these facts the assessee could not pay the Scheme amount before the designated authority performed that ascertainment. The payment liability arose only after the amount payable under section 90 was determined. The Court therefore rejected the additional interest direction, particularly because the authority's wrongful rejection had prevented the proper process. It did not calculate interest under any other provision or decide every consequence of default after certification (physical page 4/SCR 1118 B-D).

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

03 JUDICIAL DECISION

Civil Appeals 4403-4410/2003 were allowed with no order as to costs. The High Court's additional interest direction was set aside. Its direction to determine the Scheme amount was not annulled; the underlying declarations' competence had been upheld in the separate Revenue appeal (physical pages 3-4/SCR 1117 B-D, 1118 C-D).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee

Eight assessee appeals allowed; additional interest direction set aside; no costs

Final on the challenged additional interest direction on these facts

No blanket immunity from statutory interest, no decision permitting late post-certificate payment and no refund quantum or continuing Scheme entitlement.

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

05 AKHB REVIEW POINT

Separate an obligation to pay a correctly ascertained settlement amount from interest imposed for the interval caused by an authority's wrongful rejection. Preserve the declaration, rejection, court order and section 90 determination/certificate chronology rather than treating an unascertained amount as overdue by assumption.

For citation, identify these eight assessee appeals and the narrow interest relief. The reciprocal Revenue appeal supplies the distinct eligibility holding. Neither judgment makes the closed 1998 Scheme generally available today or replaces the rules of a different settlement enactment.

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

APPEAL AND PROCEEDING NUMBERS

Civil Appeal No. 4403 of 2003 / Civil Appeal No. 4404 of 2003 / Civil Appeal No. 4405 of 2003 / Civil Appeal No. 4406 of 2003 / Civil Appeal No. 4407 of 2003 / Civil Appeal No. 4408 of 2003 / Civil Appeal No. 4409 of 2003 / Civil Appeal No. 4410 of 2003

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity and eight-appeal group

Source url: [Open cited source](#)

Pdf pages: 1; 2

Paragraphs: Cover; jurisdiction; judicial opening at SCR 1116 F-G

Source role: reported metadata and judicial text

2.

Topic: Narrow grievance and reciprocal appeal

Source url: [Open cited source](#)

Pdf pages: 2; 3

Paragraphs: Unnumbered opening and procedural paragraphs; SCR 1116 F-1117 F

Source role: judicial text

3.

Topic: Ascertainment, interest reasoning and operative order

Source url: [Open cited source](#)

Pdf pages: 3; 4

Paragraphs: Unnumbered concluding reasoning and order; SCR 1117 G-1118 D

Source role: judicial text

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

S.H. Kapadia, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Finance (No. 2) Act, 1998: Kar Vivad Samadhan Scheme, 1998; connected Income-tax Act, 1961 proceedings

SPECIFIED COMPARISONS AND THEIR LIMITS

1.

Kind: bounded same day reciprocal judgment comparison

Case id: sc-2005-09-01-cit-jadeja-kvss-pendency

Case: Commissioner of Income Tax, Rajkot v. Shatrusailya Digvijaysingh Jadeja

Asset id: S 2005 2 1119 1127

Source url: [Open cited source](#)

Source sha256: 7b5fdb956d542d2d0df0854cdb3a4be2af205a399883e0555788af83b2464412

Source file bytes: 279083

Source pdf pages: 9

Pdf pages: 3; 4; 5; 7; 8; 9

Actually read: Complete judicial text on physical pages 3-9 independently read; comparison particularly uses SCR 1121 D-1123 C and 1125 B-1127 B.

Finding: The separately reported Revenue appeal 4411/2003 concerns declaration-date pendency and was dismissed; the designated authority's rejection orders were quashed. It identifies the disputed revision years and reports completion of determination/recovery.

Scope limit: Same-day reciprocal proceedings, not later treatment. Do not merge their appeal numbers or convert this interest group into a fresh eligibility adjudication.

OTHER STATUTORY PROVISIONS AND THEIR SEPARATE SCOPE

Finance (No. 2) Act, 1998, Kar Vivad Samadhan Scheme: sections 87(f), 88, 90(1), 92

SOURCE & VERIFICATION

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

Identified source rendition: 4 PDF pages; SHA-256

24ee53e160cf1ad7b645733d858a1b504fa15dce03ca8bf4df22cce5999881fe. Original bytes preserved.

Complete unnumbered judicial text from Kapadia J.'s opening at physical page 2/SCR 1116 F through the operative ending on physical page 4/SCR 1118 D. Earlier editorial headnote and reported metadata kept separate; no adjacent judgment.

[Open cited source rendition](#)

This four-page interest judgment gives no assessment-year inventory. The separately checked reciprocal Revenue judgment identifies AYs 1984-85 through 1991-92 for the rejected revision-based declarations, but no appeal-to-year allocation is inferred here.

Direct determination of a settlement-declaration issue arising from income-tax arrears and pending tax proceedings. The Scheme provisions belong to the Finance (No. 2) Act, 1998, not to the Income-tax Act section numbering. This is connected tax-settlement coverage, not a general 1961 Act charge or deduction holding.

The report has no numbered judicial paragraphs and states no interest rate, amount, start date or refund direction. None is reconstructed.; The Court's conclusion is expressly on the facts of this case, including wrongful rejection. Counsel's wider no-provision submission is kept separate from the Court's bounded reason for setting aside the direction.; The judgment uses section 87(f) for disputed tax and later calls it disputed amount. This note does not invent a separately verified statutory definition or a fresh arithmetic formula from that wording.; The reported High Court proceeding is SCA 2020/1999; the connected Supreme Court appeal group contains eight appeals. A one-appeal-to-one-assessment-year mapping is not supplied.

The operative interest issue is under the historical 1998 Scheme. References to Income-tax and Wealth-tax liabilities are context; Scheme section numbers are not represented as Income-tax Act section numbers.

STATUTORY SCOPE

No automatic mapping to the Income-tax Act, 2025 or present-law certification. Apply the statutory text for the relevant year.

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: 4](#)

SHA-256: 24ee53e160cf1ad7b645733d858a1b504fa15dce03ca8bf4df22cce5999881fe

[bounded same day reciprocal judgment comparison - PDF pages: 9](#)

SHA-256: 7b5fdb956d542d2d0df0854cdb3a4be2af205a399883e0555788af83b2464412

[Related note: Commissioner of Income Tax, Rajkot v. Shatrusailya Digvijaysingh Jadeja](#)

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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