

Commissioner of Income Tax, Jalandhar-I v. Shri Rajiv Bhatara

Civil Appeal No. 1121 of 2009

[2009] 2 SCR 873 | 2009-02-19

Historical application of surcharge to a block assessment following a search before 1 June 2002, applying the then Suresh N. Gupta approach; that approach is displaced by the later Constitution Bench ruling.

113 proviso | 158BA | 158BB | 158BC | 4 | 154 (procedural history) | 260A (procedural history)

Two-judge bench | Dr. Arijit Pasayat, J. | Dr. Mukundakam Sharma, J.

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

Historical surcharge rule displaced by Vatika Township

The Revenue won this 2009 appeal by applying Suresh N. Gupta. Vatika Township's later Constitution Bench ruling holds the section 113 proviso prospective and expressly overrules that supporting approach; this note must not present retrospective surcharge as current authority. Vatika names Sanjiv Bhatara whereas this source says Rajiv. No individual recall, refund or post-judgment remedy is verified; source Finance Act year/rate discrepancies remain disclosed.

[paragraphs 13–15 / PDF pages 7, 8 / judicial text](#); [paragraphs 25; 38; 40–41 / PDF pages 24, 33, 43 / judicial text](#)

01 FACTS OF THE CASE

The dispute concerned the printed block period 1 April 1990 to 3 July 2000 and a search stated to have begun on 6 April 2000. The AO imposed surcharge in the May 2002 assessment and rejected the assessee's section 154 application. CIT(A) deleted surcharge because the search preceded the section 113 proviso's 1 June 2002 commencement. The Tribunal and High Court upheld that result; Revenue appealed relying on Suresh N. Gupta. The assessee did not appear in the Supreme Court despite service (paragraphs 2–4 and 16).

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

02 DISCUSSION BY THE HON'BLE COURT

The two-judge Court followed Suresh N. Gupta. It treated surcharge as supported by the annual Finance Act provisions despite the fixed section 113 rate for undisclosed block income, and regarded the 2002 proviso as clarifying which year's Finance Act supplied the surcharge rate. Its reasoning distinguished the block-assessment mechanism from the annual choice of rate and said the proviso selected the year in which the search began (paragraphs 5–15).

This is a description of the 2009 reasoning, not a current endorsement. The subsequent Constitution Bench in Vatika Township held the same section 113 proviso prospective and expressly overruled Suresh N. Gupta on that issue. The later ruling's effect is separately explained below rather than silently replacing the historical judgment's reasoning.

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

03 JUDICIAL DECISION

In this 2009 proceeding, the departmental appeal was allowed and the High Court order in Tax Appeal 587/2006 set aside, with no order as to costs (paragraph 17). The reported order does not direct a remand or calculate a new surcharge amount. Its contrary-to-Vatika legal approach must carry the later-authority qualification.

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue in the historical 2009 appeal

Departmental appeal allowed; High Court order set aside; no costs

Final disposition at the time, with its governing surcharge premise displaced by later Constitution Bench authority

The checked later legal ruling does not itself prove reopening, refund, recall or other relief in this specific taxpayer's concluded proceeding. No present rate or fresh block-assessment rule is certified.

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

05 AKHB REVIEW POINT

Do not rely on this note as authority for retrospectively imposing the section 113 surcharge. In Vatika Township, judicial paragraphs 38–41 hold the proviso prospective from 1 June 2002 and expressly overrule the supporting Suresh N. Gupta conclusion. Comparing the actual propositions shows that the foundation followed here no longer supports this surcharge rule. That is a bounded editorial treatment assessment, not a claim of a separately verified order expressly recalling Rajiv Bhatara.

Vatika paragraph 25 describes a following case as Sanjiv Bhatara, while this source's cover says Rajiv Bhatara; the naming discrepancy is retained. The doctrinal comparison does not depend on silently equating those names. Historical rates, block periods and post-judgment remedies require their own checks.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES**1.****Topic:** Identity and historic facts**Source url:** [Open cited source](#)**Pdf pages:** 1; 3; 4**Paragraphs:** Cover; 1–3**Source role:** reported metadata and judicial text**2.****Topic:** Procedural path and relied-on authority**Source url:** [Open cited source](#)**Pdf pages:** 4; 5**Paragraphs:** 3–4**Source role:** judicial text**3.****Topic:** Historical surcharge reasoning**Source url:** [Open cited source](#)**Pdf pages:** 5; 6; 7; 8**Paragraphs:** 5–15**Source role:** judicial text**4.****Topic:** Nonappearance and operative result**Source url:** [Open cited source](#)**Pdf pages:** 8**Paragraphs:** 16–17**Source role:** judicial text**5.**

Topic: Bounded later Constitution Bench comparison

Source url: [Open cited source](#)

Pdf pages: 24; 33; 41; 42; 43

Paragraphs: 25; 38–41

Source role: judicial text

HISTORICAL BLOCK PERIOD

1 April 1990 to 3 July 2000, as printed in paragraph 2

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Dr. Arijit Pasayat, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

VERIFIED RELATIONSHIPS BETWEEN SPECIFIED JUDGMENTS

1.

Later case id: sc-2014-09-15-vatika-township

Relationship: Later Constitution Bench rejects the surcharge premise followed here; editorial doctrinal comparison

Scope limit: Not a verified individual recall or refund order; name discrepancy retained.

Evidence

1.

Topic: Original clarificatory approach

Source url: [Open cited source](#)

Pdf pages: 7; 8

Paragraphs: 13–15

Source role: judicial text

2.

Topic: Later prospective ruling and express overruling of supporting authority

Source url: [Open cited source](#)

Pdf pages: 24; 33; 43

Paragraphs: 25; 38; 40–41

Source role: judicial text

SOURCE & VERIFICATION

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

Identified source rendition: 8 PDF pages; SHA-256

bab91797a84b72eda3c8202d4df2f0f5a84c9b36247ecfa8fe059f823cd99ab4. Original bytes preserved.

Judicial paragraphs 1–17 begin physical page 3/SCR 875 and end page 8/SCR 880; editorial headnote excluded.

[Open cited source rendition](#)

Paragraph 3 attributes the levy to Finance Act 2000, while paragraphs 10–13 discuss Finance Act 2001 and a 17% surcharge. The inconsistency is preserved; no independent rate calculation is offered.; The printed block end date differs from the stated search-initiation date. No explanation or corrected period is invented.; Narrative slips include Chapter XIV where the context is former Chapter XIV-B and disclosed where the dispute concerns undisclosed income.; Vatika's paragraph 25 names Sanjiv Bhatara; this primary source is Rajiv Bhatara. The later comparison rests on the clearly identified contrary section 113 propositions and express overruling of Suresh N. Gupta.

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: 8](#)

SHA-256: bab91797a84b72eda3c8202d4df2f0f5a84c9b36247ecfa8fe059f823cd99ab4

[reported judgment - PDF pages: 43](#)

SHA-256: 4892de497ff80aa17d11d66c23196f4ea79d62857d8a872213f2b312aaa20a24

[Related note: Commissioner of Income Tax \(Central\)-I, New Delhi v. Vatika Township Private Limited](#)

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.