

Union of India and Others v. Gautam Khaitan

Criminal Appeal No. 1563 of 2019

[2019] 13 SCR 721 | 2019-10-15

Whether the 1 July 2015 commencement order retrospectively applied the Black Money Act's tax and penal provisions

Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015: sections 1(3), 2(9)(d), 3, 10, 50, 51, 55, 59, 72, 85 and 86 | Income-tax Act, 1961: sections 6 and 139

Three-judge bench; judgment delivered by B. R. Gavai, J. | Arun Mishra, J. | M. R. Shah, J. | B. R. Gavai, J.

Interim-stage ruling; underlying merits left open

The Court reviewed only the High Court's interim restraint and expressly directed an uninfluenced merits decision. Do not present this note as final adjudication of the respondent's liability, sanction or prosecution, or as current-law clearance of the Black Money Act.

01 FACTS OF THE CASE

The Delhi High Court restrained the authorities from acting on a 22 January 2019 sanction under section 55. It considered the 1 July 2015 order under sections 85 and 86 to have made the Act and its penal provisions retrospectively applicable. The Union challenged that interim restraint; the assessment year under consideration was 2019-20, with previous year ending 31 March 2019.

Source: [Primary judgment: facts and procedural setting](#)

02 DISCUSSION BY THE HON'BLE COURT

Sections 3 and 2(9)(d) charged tax only for assessment years beginning on or after 1 April 2016, while valuing an overseas asset in the relevant previous year. Section 59 offered a one-time declaration ending 30 September 2015, with tax and penalty due by 31 December 2015. Moving commencement to 1 July 2015 removed the anomaly that the declaration window otherwise would have closed before statutory commencement; sections 50 and 51 operated only after failure to use that opportunity and to disclose and pay.

Source: [Primary judgment: reasoning](#)

03 JUDICIAL DECISION

For purposes of reviewing the interim order, the commencement change was a removal-of-difficulties measure enabling the declaration window, not retrospective application of the penal provisions. The High Court's contrary basis for restraint was legally unsustainable.

Source: [Primary judgment: holdings](#)

04 OUTCOME / IN WHOSE FAVOUR

The appeal was allowed and the interim restraint set aside. The High Court was requested to decide the writ petition on its own merits, uninfluenced by the Supreme Court's observations, which were expressly limited to testing the interim order.

Source: [Primary judgment: operative disposition](#)

05 AKHB REVIEW POINT

AKHB analysis: preserve the decision's procedural boundary. The useful statutory method is to reconcile commencement, charging year, valuation year, declaration deadline and penal trigger together; the result here does not decide the respondent's final liability or foreclose arguments reserved for the writ court.

Source: [Primary judgment: review-point basis](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

Complete 12-page SCR report read in page-preserving text and every page image inspected, from the reported opening page through the operative disposition.

[Open cited source rendition](#)

Exact catalogue SHA-256 and 12-page count verified; every page was read and visually inspected.

STATUTORY SCOPE

Historical statutory provisions are described as they appeared in the report. Verify the current enactment, amendments and later judicial treatment before reliance.

LATER TREATMENT

Source checked 2026-10-12. No comprehensive later-treatment or present-law clearance is represented. The note reports the historical statutory text and result in this primary report only.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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