Mookambika Associates v. Assistant Commissioner of Income Tax & Ors.

W.P. Nos. 29258–29259/2015

W.P. Nos. 29258–29259/2015 (High Court of Karnataka, 2015-09-04) | 2015-09-04

Interest-waiver refusal sustained against the recorded history of non-cooperation.

Income-tax Act,1961: sections 220(2), 220(2A), 132, 153C

High Court of Karnataka | Single Bench | Ram Mohan Reddy

Assessment years: 2006-07, 2007-08

01 FACTS OF THE CASE

Mookambika Associates sought to set aside two orders dated 20 April 2015 refusing waiver of interest. Returns for AY 2006-07 and 2007-08 were filed only on 20 September 2010 after a search and notice. The firm relied on genuine hardship; the Commissioner relied on delayed payment and lack of cooperation during recovery.

Source: PDF pp.2–5

02 DISCUSSION BY THE HON'BLE COURT

The Court emphasized that tax was paid only after bank accounts and property were attached, despite opportunities to comply. It rejected the asserted hardship on these facts and considered the Commissioner justified in refusing waiver.

Source: PDF pp.5–7

03 JUDICIAL DECISION

Both petitions were rejected. The impugned orders were not perverse or arbitrary so as to warrant Article 226 interference.

Source: PDF pp.7–8

04 OUTCOME / IN WHOSE FAVOUR

The interest-waiver refusal remained effective; the Court did not grant a further hearing or reassess the underlying income. The source inconsistently describes Rs.2,06,00,000 as assessed income on page 4 and as tax on page 6; this note does not convert it into a verified tax-demand figure.

Source: PDF pp.4 and 6–8

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

Hardship was evaluated against the payment history: The Court's reasoning was grounded in years of non-filing and payments following coercive measures, rather than acceptance of hardship as a bare assertion. A waiver application in this setting needed a factual explanation addressing that chronology and the recorded lack of cooperation. (PDF pp.4–7)

Payment and entitlement to waiver are separate questions: Eventual recovery of the principal amounts did not itself establish a right to reduction of interest. The Court treated the circumstances of payment as adverse to the claim. The decision should not be broadened into a rule that every late payment, regardless of circumstances, excludes relief. (PDF pp.6–7)

Distinguish the waiver review from the assessment: The petitions attacked refusal of interest relief. The discussion of returns and demands supplied context for that refusal, not a fresh determination of taxable income. Source inconsistencies in the monetary recitals therefore require reference to the assessment and recovery records before computing any liability. (PDF pp.3–8)

Source: PDF pp.4–7

SOURCE & VERIFICATION

Original High Court judgment PDF — AKHB source repository

Complete 8-page original reviewed; source bytes verified.

Full original and all five panels re-reviewed on 21 October 2026.

Open cited source rendition

Complete original source and all five note panels checked; original docket identities preserved.

STATUTORY SCOPE

Current law and subsequent treatment not independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have not been independently verified.

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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