

Income-tax Officer, Circle II, Madura and Another v. M. R. Vidyasagar

Civil Appeals Nos. 545 and 546 of 1960

[1962] Supp. 2 SCR 613 | 1962-01-17

Advance-tax interest: retrospectively effective waiver discretion in assessments still pending or alterable.

Indian Income-tax Act, 1922: sections 18A(1), 18A(2), 18A(6), 23(5) and 59 | Indian Income-tax (Amendment) Act, 1953: section 13 | Income-tax Rules: rule 48 | Constitution of India: Article 226

5-judge bench; unanimous judgment delivered by J. C. Shah, J. | B. P. Sinha, C.J. | J. L. Kapur, J. | M. Hidayatullah, J. | J. C. Shah, J. | J. R. Mudholkar, J.

Assessment years: 1946-47, 1948-49

Historical statutory setting

Repealed section 18A and rule 48 scheme; no current-law or citator clearance.

Source and scope caution

The report gives conflicting Tribunal-order dates (12 March 1954 and 12 April 1953); both post-date 1 April 1952 and no correction is invented.

Additional scope caution

Wholly closed pre-effective-date assessments were expressly left undecided.

No current-law clearance

Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

01 FACTS OF THE CASE

An HUF manager underestimated advance-tax income. After regular assessments and later reduction of the firm income affecting the HUF share, the successor manager sought waiver or reduction under the retrospectively effective fifth proviso; the officer and Inspecting Assistant Commissioner refused (SCR pp.614-617; PDF pp.2-5).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The amendment and rule relaxed the formerly inflexible interest rule. Discretion applied where the assessment was pending on 1 April 1952 before an authority able to alter income, or commenced later. The Court expressly left wholly final pre-effective-date assessments open (SCR pp.618-622; PDF pp.6-10).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

Revenue's appeals were dismissed; the officer had to consider whether the facts justified exercising the discretion (SCR p.622; PDF p.10).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee/HUF procedurally only; no waiver or reduction entitlement was decided (SCR p.622; PDF p.10).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: for transitional relief, ask whether the assessment remained before an authority able to alter income on the effective date. Do not convert a direction to consider discretion into substantive waiver.

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

SOURCE & VERIFICATION

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

Full 10-page SCR asset read and visually inspected.

[Open cited source rendition](#)

Catalogue source S_1962_2_613_622: SHA-256

13bee868c900b580e19de7885c4582c113e1e5f61da0abb828e5b45699db0a7b, 10 pages, read and visually inspected in full.

The published original preserves the exact catalogue bytes and verified hash.

The source verifies identity, bench, provisions, opinion structure and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment publication match was found.

STATUTORY SCOPE

Repealed section 18A and rule 48 scheme; no current-law or citator clearance.

LATER TREATMENT

Source checked 2026-10-11. Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

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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General legal and tax research only; not legal or tax advice. Verify the original judgment, the governing historical statute and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.