

Commissioner of Income-tax, Madras and Another v. S. V. Angidi Chettiar

Civil Appeals Nos. 6-8 of 1961

[1962] Supp. 2 SCR 640 | 1962-01-18

Penalty against a dissolved registered firm and timing of the officer's statutory satisfaction.

Indian Income-tax Act, 1922: sections 2(9), 23(5), 26A, 28(1)(c), proviso (d) and 44 | General Clauses Act, 1897: section 3(42) | 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: 1947-48, 1949-50, 1950-51

Historical statutory setting

Repealed 1922 Act firm and penalty machinery; no current-law or citator clearance.

Source and scope caution

The catalogue lists only Civil Appeal No.6 of 1961; the signed report covers Nos.6-8.

Additional scope caution

Later notice is distinct from later formation of statutory satisfaction.

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

A registered four-person cloth firm concealed income and penalties were imposed after it had allegedly dissolved by agreement or a partner's death. The Madras High Court quashed the orders (SCR pp.641-643; PDF pp.2-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 44 continuation machinery covered registered firms; a firm was a person subject to section 28 and proviso (d) supplied the computation basis. Satisfaction had to arise during the underlying proceeding, but notice could follow assessment completion; the record proved timely satisfaction (SCR pp.642-650; PDF pp.3-11).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

Revenue's appeals were allowed, the High Court orders set aside and the writ petitions dismissed with costs in both courts, one hearing fee (SCR p.650; PDF p.11).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of Revenue on dissolved-firm reach and timely satisfaction (SCR pp.649-650; PDF pp.10-11).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: separately test entity reach after dissolution, applicability of the penalty provision and whether jurisdictional satisfaction arose during assessment. The holding permits later notice, not satisfaction first formed later.

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

SOURCE & VERIFICATION

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

Full 11-page SCR asset read and visually inspected; adjacent-report text after the operative result was excluded.

[Open cited source rendition](#)

Catalogue source S_1962_2_640_650: SHA-256

5bc778ad4702ef8338e4bff124edf831660358229b70a4fe72f0a006ec58f269, 11 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 1922 Act firm and penalty machinery; 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.