

Income-tax Officer, Madras v. S. K. Habibullah, Madras

Civil Appeals Nos. 557 and 558 of 1960

[1962] Supp. 2 SCR 716 | 1962-01-24

Rectification jurisdiction: separate entity records, consent and the temporal reach of a new statutory fiction.

Indian Income-tax Act, 1922: sections 23(3), 35(1) and 35(5) | Indian Income-tax (Amendment) Act, 1953: section 19 | Constitution of India: Article 226

3-judge bench; unanimous judgment delivered by J. C. Shah, J. | S. K. Das, J. | M. Hidayatullah, J. | J. C. Shah, J.

Assessment years: 1946-47, 1947-48

Historical statutory setting

Historical section 35 and its 1953 amendment do not automatically interpret current section 154 or partnership machinery.

Source and scope caution

The cause-title respondent Habibullah was the assessed partner Mohideen's son, not the original assessee.

Additional scope caution

The Court decided jurisdiction and retrospectivity, not arithmetic correctness.

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

S. K. Mohideen estimated shares of losses from two registered firms in his individual returns. His assessments and the firms' assessments were completed before section 35(5) took effect. After later notices the officer reduced the individual losses; Mohideen's son Habibullah challenged after his father's death (SCR pp.717-719; PDF pp.2-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Consent could not confer jurisdiction. A firm and partner were distinct assessment entities, so a discrepancy in the firm record was not apparent in the partner record under section 35(1). Section 35(5) created an additional substantive fiction and did not reach firm assessments completed before 1 April 1952 (SCR pp.719-726; PDF pp.4-11).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

Revenue's appeals were dismissed with costs and one hearing fee; the High Court's quashing of rectification remained (SCR p.726; PDF p.11).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee side on jurisdiction; arithmetic correctness of the loss allocations was not decided (SCR pp.725-726; PDF pp.10-11).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: identify the legally relevant record, statutory fiction, trigger date and amendment reach. Neither a file reservation nor taxpayer consent substitutes for statutory rectification power.

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

SOURCE & VERIFICATION

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

Full 11-page SCR asset read and visually inspected; the following report fragment on physical p.11 was excluded.

[Open cited source rendition](#)

Catalogue source S_1962_2_716_726: SHA-256

3afefce13076c9645a6da2b11a122f22fa8476fa7ed482958d2a61b1f5f0a5b4, 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

Historical section 35 and its 1953 amendment do not automatically interpret current section 154 or partnership machinery.

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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