

Income-tax Officer & Another, Bombay v. Simplex Mills Ltd., Bombay

Civil Appeal No. 165 of 1962

[1963] Supp 2 SCR 162 | 1962-11-15

Historical reassessment: recovery of excess refund interest after a retrospective amendment reduced the statutory rate.

Indian Income-tax Act, 1922: sections 18A(1), 18A(5), 18A(8), 18A(11), 34 and 35

5-judge bench; unanimous judgment delivered by A. K. Sarkar, J. | S. K. Das, J. | J. L. Kapur, J. | A. K. Sarkar, J. | M. Hidayatullah, J. | Raghubar Dayal, J.

Assessment years: 1952-53

Historical statutory setting

The ruling applies advance-tax interest and reassessment provisions of the repealed 1922 Act; no current refund-interest recovery rule is represented.

Fact and procedural limits

Apply the holding only within the facts, statutory text and procedural posture described in the primary report.

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

After regular assessment produced an advance-tax refund, the government paid Rs.14,720-14-0 interest under the then law. A later retrospective amendment reduced the amount to Rs.9,404-5-0. The officer invoked section 34, alleging under-assessment or excessive relief, to recover the difference (SCR pp.162-165; PDF pp.1-4).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

The case involved provisional over-payment of tax, not under-assessed income. Interest paid by the government on that excess was not a relief allowed in computing income, nor part of tax payable by the assessee. Section 34 therefore supplied no recovery jurisdiction; a belated section 35 theory was not entertained (SCR pp.165-168; PDF pp.4-7).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court dismissed Revenue's appeal with costs (SCR p.168; PDF p.7).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee: the section 34 recovery order remained quashed (SCR pp.167-168; PDF pp.6-7).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: classify the alleged excess precisely—income assessment, tax computation, statutory interest or refund administration—before choosing a recovery power. Current refund-interest and erroneous-refund provisions require separate review (based on SCR pp.166-168; PDF pp.5-7).

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

SOURCE & VERIFICATION

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The source verifies the stated case identity, bench, statutory issue and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment match was found in the published corpus or reviewed archive.

STATUTORY SCOPE

The ruling applies advance-tax interest and reassessment provisions of the repealed 1922 Act; no current refund-interest recovery rule is represented.

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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