

Modi Industries Ltd., Modinagar etc. etc. v. Commissioner of Income Tax, Delhi and another etc. etc.

Civil Appeal No. 928 of 1980 / Civil Appeal No. 1395 of 1974 / Civil Appeal Nos. 5550–5551 of 1990 / Civil Appeal No. 4581 of 1990

[1995] Supp. 3 SCR 642 | 1995-09-15

For historical advance-tax refunds, what does “regular assessment” mean, on what amount and for what period is interest payable under section 214 or predecessor section 18A(5), and how do the separate section 244(1A) payment-and-refund conditions interact with the 1975 and 1985 changes?

2(40) | 143 | 144 | 214(1), proviso and 214(1A) (distinct 1968 and 1985 versions) | 214, Explanation 2 (from 1 April 1985) | 215(3) (historical versions) | 219 | 199 | 141A | 237 | 240 | 243 | 244(1) | 244(1A) | 264

Three-judge bench | B.P. Jeevan Reddy, J. | Suhas C. Sen, J. | S.B. Majmudar, J.

Assessment years: 1960-61, 1971-72, 1973-74, 1974-75, 1975-76, 1976-77, 1977-78

Historical interest periods and mixed outcomes with source discrepancies

This judgment concerns distinct historical regimes, not a current refund-interest rule: section 214 generally ends at the first assessment; qualifying section 244(1A) payments or assessment adjustments after 31 March 1975 have a separate period and one-month exclusion; the 1 April 1985 amendment changes quantum, not the section 214 endpoint. Modi and Sir Shadilal were dismissed; the other groups obtained limited directions or remand. In CAs 5550–5551/1990 the recorded assessed tax exceeds advance tax, yet the direction refers to the original-assessment excess; no fixed interest award can be inferred. The source also contains incorrect section references and inconsistent TDS/month wording; its footer “Appeal allowed” is not the batch outcome. Individual authorship is not stated in this SCR rendition. Later treatment and 2025 mapping remain unverified.

01 FACTS OF THE CASE

The Court resolved conflicting High Court interpretations of “regular assessment” in a batch comprising five civil appeals under four separate operative headings. The conflict concerned both the principal on which interest could be paid and the date at which section 214 interest stopped when appellate, revisional, reference or rectification proceedings later changed the assessed liability. The source contains one continuous judgment of the Court; no separate concurrence or dissent is printed. The Rs 10,000/Rs 15,000 illustrations and the years and amounts from earlier reported cases are explanatory material, not the facts or awards in Modi's own appeal (physical pages 8–25 / SCR 649–666).

Civil Appeal No. 928 of 1980 was Modi Industries' direct appeal against the Commissioner of Income Tax, Delhi's order under section 264 for AY 1971-72. The Commissioner had confined interest to the excess advance tax disclosed by the original assessment and to the original assessment date. Civil Appeal No. 1395 of 1974 concerned Sir Shadilal Sugar and General Mills Ltd., AY 1960-61, under the Indian Income-tax Act, 1922; it challenged the Allahabad High Court decision reported at (1972) 85 ITR 363 (physical pages 58–59 / SCR 699-F-700-C).

Civil Appeal Nos. 5550–5551 of 1990 concerned AYs 1976-77 and 1977-78. For AY 1976-77, the source states advance tax of Rs 9,62,500, assessed tax of Rs 29,56,303, and eventual refund after appellate relief of the whole advance-tax payment plus Rs 94,787 deducted at source. The other year was said to involve similar facts, with different amounts not specified. The Commissioner, Bombay, City-VI had denied claims under both sections 214 and 244(1A). The High Court issued rule nisi only on the section 244(1A) question and did not entertain the section 214 question; only the latter rejection reached the Supreme Court in these appeals (physical pages 59–60 / SCR 700-C-701-B).

Civil Appeal No. 4581 of 1990 concerned AYs 1973-74, 1974-75 and 1975-76 and challenged a Bombay High Court Single Judge's rejection of Writ Petition No. 1085 of 1985. The source does not name the assessee in the operative headings for this appeal or Civil Appeal Nos. 5550–5551, and does not supply their complete assessment, payment or refund dates. Those details should not be inferred from the lead caption or explanatory examples (physical page 60 / SCR 701-C-D).

Source: See the proposition-specific paragraph and PDF-page references below.

02 DISCUSSION BY THE HON'BLE COURT

The legislative history matters. Section 18A, introduced in 1944, originally provided interest on the whole advance-tax payment from payment until the relevant provisional assessment or regular assessment. The 1953 amendment, effective from 1 April 1952, confined the interest-bearing principal to the excess over tax determined on regular assessment. Under the 1961 Act, section 214 instead began interest on 1 April of the assessment year immediately following the financial year of advance payment. Its endpoint was regular assessment, not the eventual refund date. The judgment quotes historical rates and amendments; none is a present-day rate statement (physical pages 8–11 / SCR 649-G–652-D).

“Regular assessment” in section 214 means the first/original assessment under section 143 or 144, not a consequential or fresh assessment made to implement an appellate or revisional order. Setting the original assessment aside does not restart the advance-tax period. The Court relied on the defined expression in section 2(40), the distinction between assessment and regular assessment, the historical section 153 limitation scheme, and the use of the expression across collection, advance-tax, self-assessment, provisional-assessment and penalty provisions. It rejected even Revenue’s concession that a fresh assessment after the original was set aside could be treated as regular assessment for this purpose. The separate 1985 Explanation 2 expressly treats a first-ever assessment under section 147 as regular assessment for section 214; this qualification must be retained when stating the first-assessment rule (physical pages 25–50 / SCR 666-B–691-F).

The reason for separating the periods is that advance tax retained and credited against the liability fixed on original assessment loses its advance-tax identity and becomes tax paid pursuant to that assessment. Section 219 supplies the advance-tax credit; section 199 supplies the corresponding treatment for tax deducted at source. A later reduction leads to refund of tax so paid or treated as paid, without turning the credited amount back into advance tax. An excess remaining on original assessment and a further excess arising through subsequent appellate relief must therefore be tracked separately. The Court also distinguished the creation of the tax liability and ascertainability of an excess on 1 April from the later assessment that quantifies it (physical pages 26–35 / SCR 667–676; pages 56–58 / SCR 697–699).

The 1968 section 214 proviso and original subsection (1A) addressed provisional refunds under section 141A. For an amount refunded on provisional assessment, section 214 interest stopped at that provisional assessment. If the eventual regular assessment showed that too much had been provisionally refunded, the corresponding excess interest could be recovered. That version of subsection (1A) was not a general power to recompute the principal following later appeals. The substituted section 214(1A), effective from 1 April 1985, permitted the interest-bearing amount to increase or decrease with the specified subsequent orders. The parallel section 215(3) was also changed. These changes affected quantum, while the section 214 period still ended at the first assessment. The Court used the 1985 provisions as evidence of the meaning of regular assessment, without treating the new quantum-adjustment provision as a timeless rule (physical pages 50–54 / SCR 691–695).

Before the special section 244(1A) mechanism, the Court described section 243 interest on delayed refunds following assessment and section 244(1) interest on delayed refunds arising from section 240 orders. Under the quoted section 244(1), the delay period begins after three months from the end of the month in which the relevant order is passed; it is not interest automatically running from original payment. The source expressly rejects an equity-based assumption that every statutory retention of money must bear interest throughout

02 DISCUSSION BY THE HON'BLE COURT

(physical pages 13–14 / SCR 654-F–655-G; page 38 / SCR 679-B–E; pages 54–55 / SCR 695-F–696-A).

Section 244(1A) was inserted with effect from 1 October 1975, but its payment condition refers to an amount paid after 31 March 1975 pursuant to an assessment or penalty order and subsequently found excessive in appeal or another proceeding. For an actual payment pursuant to an order, the relevant start is that payment date; instalments are considered separately. For advance tax or TDS retained and set off against the tax demand, the deemed payment pursuant to assessment occurs on the original assessment date, not on the earlier cash-payment or deduction date. Thus an advance-tax payment made before 1 April 1975 can enter this mechanism if the qualifying assessment adjustment occurs after 31 March 1975. Only the retained and adjusted component is treated this way. The interest runs to the date refund is granted, subject to the quoted exclusion of one month from the appellate or other order's passing date. The third proviso excludes an additional section 244(1) award on the same excess (physical pages 23 and 26 / SCR 664-C–D and 667-D–G; pages 55–58 / SCR 696–699).

The Court separately says that interest under sections 214(1A) and 244(1A) cannot be paid simultaneously and notes their equal rates in the scheme it was examining. That statement must be read with the immediately preceding distinction between the section 214 pre-assessment period and the section 244(1A) payment/adjustment-to-refund period. It is not permission to duplicate interest, extend section 214 to refund, or choose a provision while disregarding its eligibility conditions. The summary at SCR 698–699 distinguishes the pre-1975 position, qualifying payments/adjustments after 31 March 1975, and the 1 April 1985 quantum change. The judgment expressly declines to examine further amendments effective from 1 April 1989 (physical page 11 / SCR 652-D; pages 57–58 / SCR 698-B–699-D).

On the conflicting authorities, the first-assessment approach in Sarangpur Cotton, Sir Shadilal, Trustees of H.E. Nizam Religious Endowment Trust and Carona Sahu was accepted to the extent consistent with the Court's reasoning. The contrary revised-assessment endpoint adopted in Chloride India, Rajalakshmi Mills, Triplicane Urban Society, Bardolia Textile Mills and Deep Chand was not accepted. National Agricultural Cooperative Marketing Federation's first-assessment analysis and treatment of adjusted advance tax must be separated from its excessive payment-date formulation: for section 244(1A), advance tax is deemed paid pursuant to assessment only upon assessment adjustment. Cyanamid India and Leader Engineering Works support the adjusted-payment analysis. The judgment's express collective approval is limited to High Court views that accord with its own conclusions; it is not blanket approval of every proposition in every named case (physical pages 15–23 / SCR 656–664; page 26 / SCR 667-F–G; pages 56–58 / SCR 697-G–699-E).

Source: See the proposition-specific paragraph and PDF-page references below.

03 JUDICIAL DECISION

The Court adopted the first/original-assessment meaning and the separate historical interest mechanisms described above, then disposed of each appeal group independently. It did not make a single refund or interest award for the batch (physical pages 57–60 / SCR 698–701).

Civil Appeal No. 928 of 1980, Modi Industries, AY 1971-72: dismissed to the extent stated in the judgment, sustaining interest only on the original-assessment excess and only up to that original assessment date. No costs (physical pages 58–59 / SCR 699-F–700-A).

Civil Appeal No. 1395 of 1974, Sir Shadilal, AY 1960-61 under the 1922 Act: dismissed for the reasons given in the Court's analysis; no order as to costs (physical page 59 / SCR 700-A–C).

Civil Appeal Nos. 5550–5551 of 1990, AYs 1976-77 and 1977-78: allowed in the stated terms. The Commissioner of Income Tax, Bombay, City-VI was directed to pass appropriate orders granting section 214(1) interest from 1 April 1976 to the regular assessment, as interpreted in the judgment, on the excess advance tax found under that regular assessment; the analogous direction for AY 1977-78 starts on 1 April 1977. No costs. The source's stated assessed tax exceeds the recorded advance tax, but its operative direction still uses the original-assessment excess. Preserve that direction without inferring a fixed entitlement on the full eventual refund or silently reconciling the figures. The separate section 244(1A) writ issue, if still pending in the High Court, was to be decided under the principles laid down in this judgment (physical pages 59–60 / SCR 700-C–701-B).

Civil Appeal No. 4581 of 1990, AYs 1973-74 to 1975-76: allowed and remitted to the Income Tax Appellate Tribunal, Bombay Bench, to verify the facts for each year and pass appropriate orders applying the principles stated. No costs. The Court did not itself determine the year-specific interest amounts (physical page 60 / SCR 701-C–D).

Source: See the proposition-specific paragraph and PDF-page references below.

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Mixed: Revenue succeeds against Modi Industries and Sir Shadilal; the other assessee appeals receive limited directions or remand, without a quantified refund-interest award.

CA 928/1980 dismissed to the stated extent; CA 1395/1974 dismissed; CAs 5550–5551/1990 allowed with directions and preservation of the separate High Court section 244(1A) issue if pending; CA 4581/1990 allowed and remitted to ITAT, Bombay Bench. No costs in every group.

Final interpretation of the historical statutory issues, with mixed appeal-specific final dispositions and further implementation/fact verification for the allowed groups.

Historical sections 18A(5), 214, 243, 244(1) and 244(1A), the payment/adjustment condition after 31 March 1975 and quantum amendments from 1 April 1985. Not a section 244A decision, a general compound-interest award, or a current-law certification.

Source: See the proposition-specific paragraph and PDF-page references below.

05 AKHB REVIEW POINT

Prepare a year-wise chronology before using this authority: advance-tax instalments; TDS; any provisional assessment and refund; the first regular assessment; the exact amounts retained and credited against demand; direct post-assessment payments; each appellate, revisional or rectification order; and the actual refund date. Keep the principal and the interest period as separate questions. A larger later refund does not move the section 214 endpoint, and the 1985 power to vary its principal is not the same provision as the 1968 recovery of excessive provisional-refund interest.

For section 244(1A), establish the qualifying post-31 March 1975 payment pursuant to an order. Where the amount originated as advance tax or TDS, identify when and to what extent it was actually adjusted on assessment; the original cash-payment date is not the deemed payment date for that provision. Apply the one-month exclusion as one month from the relevant order's passing date, as the quoted proviso says, rather than automatically excluding the whole calendar month. Prevent overlap with section 244(1), and do not treat the discussion of equal rates as authority for duplicate interest or for interest on interest.

Keep the operative appeal outcomes intact. Modi Industries itself did not win an unrestricted refund-interest claim. The two 1990 appeals numbered 5550–5551 were allowed on limited terms, with a separate section 244(1A) issue left to the High Court if pending; the stated figures and the direction do not support a fresh quantified award in this note. Appeal 4581 requires year-wise verification by the Tribunal. The reporter's final "Appeal allowed" line cannot replace these four outcomes.

Use the source cautiously: it has inconsistent section references, an ambiguous shorthand passage about TDS and interest, a one-month/calendar-month variation, and a pronounced gap between the figures and the direction in the 5550–5551 group. Prefer the full statutory quotations, repeated reasoning and express operative words, and retain unresolved discrepancies rather than rewriting them. The bounded later check of R.R. Holding confirms only that the applicability of Modi could require a fact-specific inquiry and remand; it does not certify all later treatment. Check the applicable historical statute and subsequent primary authorities before reliance, especially for any present-day section 244A claim or 2025 Act mapping.

Source: See the proposition-specific paragraph and PDF-page references below.

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Caption, date and three-judge bench

Source url: [Open cited source](#)

PDF pages: 1

Scr pages: 642-A–B

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: reported metadata

2.

Topic: Headnote boundary, jurisdiction and unnamed Court judgment opening

Source url: [Open cited source](#)

Pdf pages: 8

Scr pages: 649-A-H

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: boundary and judicial text

3.

Topic: 1922 Act history, 1952 excess-only change, 1961 start date, 1968/1985 amendments and 1989 limit

Source url: [Open cited source](#)

Pdf pages: 8; 9; 10; 11

Scr pages: 649-G-652-D

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

4.

Topic: High Court conflict and explanatory refund illustrations

Source url: [Open cited source](#)

Pdf pages: 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21; 22; 23; 24; 25

Scr pages: 652-E-666-B

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

5.

Topic: First-assessment holding and loss of advance-tax identity

Source url: [Open cited source](#)

Pdf pages: 25; 26; 27; 28; 29; 30

Scr pages: 666-B-671-G

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

6.

Topic: Ascertainability of refund and statutory liability

Source url: [Open cited source](#)

Pdf pages: 31; 32; 33

Scr pages: 672-674

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

7.

Topic: Consequential assessments, scheme reasoning and statutory rather than equitable entitlement

Source url: [Open cited source](#)

Pdf pages: 33; 34; 35; 36; 37; 38; 39; 40; 41; 42; 43; 44; 45; 46; 47; 48; 49

Scr pages: 674-690

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

8.

Topic: 1968 provisional-refund mechanism and 1985 quantity rather than period change

Source url: [Open cited source](#)

Pdf pages: 50; 51; 52; 53; 54

Scr pages: 691–695-E

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

9.

Topic: Section 244(1A) conditions, payment/adjustment date and one-month exclusion

Source url: [Open cited source](#)

Pdf pages: 14; 26; 55; 56; 57; 58

Scr pages: 655-C-G; 667-D-G; 696–699-D

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

10.

Topic: Statutory overlap and three-part summary

Source url: [Open cited source](#)

Pdf pages: 57; 58

Scr pages: 698-B–699-E

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

11.

Topic: Modi Industries AY 1971-72 appeal dismissed to stated extent

Source url: [Open cited source](#)

Pdf pages: 58; 59

Scr pages: 699-F–700-A

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

12.

Topic: Sir Shadilal AY 1960-61 appeal dismissed under 1922 Act

Source url: [Open cited source](#)

Pdf pages: 59

Scr pages: 700-A–C

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

13.

Topic: CAs 5550–5551/1990, AYs 1976-77 and 1977-78, amounts and qualified allowance

Source url: [Open cited source](#)

Pdf pages: 59; 60

Scr pages: 700-C–701-B

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

14.

Topic: CA 4581/1990, AYs 1973-74 to 1975-76, Tribunal remand and costs

Source url: [Open cited source](#)

Pdf pages: 60

Scr pages: 701-C–D

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

15.

Topic: Visible statutory-reference, TDS and month-wording discrepancies

Source url: [Open cited source](#)

Pdf pages: 29; 30; 35; 39; 44; 45; 51; 55; 59

Scr pages: 670; 671; 676; 680; 685; 686; 692; 696; 700

Paragraphs: Unnumbered judicial text; use these physical-page/SCR pinpoints for this exact PDF rendition

Source role: judicial text

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Not individually named in the reviewed SCR rendition; it introduces the judgment as that of the Court

ACT IDENTIFIED IN THE REVIEWED SOURCE

Indian Income-tax Act, 1922 and Income-tax Act, 1961 (historical refund-interest provisions)

SPECIFIED LATER TREATMENT CHECKS AND THEIR LIMITS

Status: limited checks only

Check log: bounded_check_log.json

Summary: Frozen-repository exact-phrase search produced nine candidates. National Rayon was excluded as a different Modi case after selected-page reading. R.R. Holding was read in full text and remitted its fact-specific applicability question without deciding it. Seven candidates and all further treatment remain unreviewed.

Public checked sources: https://indian-supreme-court-judgments.s3.amazonaws.com/data/pdf/year=1997/english/S_1997_3_140_150_EN.pdf#page=8; https://indian-supreme-court-judgments.s3.amazonaws.com/data/pdf/year=2006/english/S_2006_3_787_792_EN.pdf#page=3

ASSESSMENT YEARS MAPPED TO INDIVIDUAL APPEAL GROUPS

1.

Case numbers: Civil Appeal No. 928 of 1980

Assessment years: 1971-72

Statute: Income-tax Act, 1961

Pinpoint: Physical pages 58–59 / SCR 699-F–H to 700-A

2.

Case numbers: Civil Appeal No. 1395 of 1974

Assessment years: 1960-61

Statute: Indian Income-tax Act, 1922

Pinpoint: Physical page 59 / SCR 700-A–C

3.

Case numbers: Civil Appeal Nos. 5550–5551 of 1990

Assessment years: 1976-77; 1977-78

Statute: Income-tax Act, 1961

Pinpoint: Physical pages 59–60 / SCR 700-C–H to 701-A–B

4.

Case numbers: Civil Appeal No. 4581 of 1990

Assessment years: 1973-74; 1974-75; 1975-76

Statute: Income-tax Act, 1961

Pinpoint: Physical page 60 / SCR 701-C–D

JUDICIAL AUTHORSHIP AND SOURCE LIMITS

Status: individual authorship not verified from primary rendition

Primary pinpoint: Physical page 8 / SCR 649-D–E introduces the judgment without a named author; no later separate signed opinion or attribution appears in the 60-page source.

External comparison: Indian Kanoon labels B.P. Jeevan Reddy as author, but its reproduced judgment also begins without a named judicial byline. This third-party metadata is not promoted to source-verified authorship.

External url: [Open cited source](#)

JUDICIAL TEXT, EDITORIAL HEADNOTE AND ORDER BOUNDARIES

1.

Kind: editorial headnote

Pdf pages: 1; 2; 3; 4; 5; 6; 7; 8

Scr boundary: 642 through 649-B, ending before Civil Appellate Jurisdiction

Not judicial reasoning: True

2.

Kind: court judgment

Author: Not named in this rendition

Pdf pages: 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21; 22; 23; 24; 25; 26; 27; 28; 29; 30; 31; 32; 33; 34; 35; 36; 37; 38; 39; 40; 41; 42; 43; 44; 45; 46; 47; 48; 49; 50; 51; 52; 53; 54; 55; 56; 57; 58; 59; 60

Scr boundary: 649-E through 701-D

Separate concurrence or dissent found: False

Internal parts

1.

Label: Opening and legislative/High Court survey

Scr boundary: 649-E-664-D

2.

Label: Part II: statutory construction

Scr boundary: 664-E-695-E

3.

Label: Part III: refund provisions

Scr boundary: 695-F-698-E

4.

Label: Summary

Scr boundary: 698-F-699-E

3.

Kind: appeal group order

Case numbers: 928/1980

Scr boundary: 699-F-700-A

Disposition: Dismissed to stated extent; no costs

4.

Kind: appeal group order

Case numbers: 1395/1974

Scr boundary: 700-A-C

Disposition: Dismissed; no order as to costs

5.

Kind: appeal group order

Case numbers: 5550/1990; 5551/1990

Scr boundary: 700-C-701-B

Disposition: Allowed in stated terms; Commissioner directions; pending section 244(1A) writ to follow principles; no costs

6.

Kind: appeal group order

Case numbers: 4581/1990

Scr boundary: 701-C-D

Disposition: Allowed; remitted to ITAT Bombay Bench for year-wise verification; no costs

HISTORICAL 1922 ACT PROVISIONS

18A(5); 18A(6); 23; 23B

SOURCE & VERIFICATION[Hon'ble Supreme Court source PDF \(reported judgment\)](#)

Identified source rendition: 60 PDF pages; SHA-256

fa7680deaa58adc0edbc016248fd1b5358166cd914910395413532d5e8c2fb7d. Original bytes preserved.

Editorial headnote physical pages 1–8 / SCR 642–649 (ending at SCR 649-B); jurisdiction, provenance and appearances SCR 649-B–D; judicial text starts SCR 649-E and continues to SCR 701-D. A single continuous Court judgment includes Part II from SCR 664-E, Part III from SCR 695-F, the summary at SCR 698-F–699-E and four separately headed appeal-group dispositions at SCR 699-F–701-D. No separate concurrence or dissent is printed. The terminal reporter line “Appeal allowed” is not the outcome of every appeal.

[Open cited source rendition](#)

The 60-page SCR source begins its judicial text on physical page 8 / SCR 649-E with an unnamed judgment of the Court. It prints no separate concurrence or dissent. Indian Kanoon attributes B.P. Jeevan Reddy in metadata, but no individual byline is supplied in the reviewed primary rendition; the bench must not be converted into an invented opinion split or a source-verified authorship statement; The terminal reporter line "Appeal allowed" on physical page 60 / SCR 701 is incomplete for the batch. Operative orders dismiss CA 928/1980 to the stated extent and CA 1395/1974, allow CAs 5550-5551/1990 in limited terms, and allow/remit CA 4581/1990. Every group specifies no costs.; CAs 5550-5551/1990: physical page 59 / SCR 700-D-G prints advance tax Rs 9,62,500, assessed tax Rs 29,56,303, and eventual refund of all advance tax plus Rs 94,787 TDS. Nevertheless, it orders section 214 interest on the excess under the regular assessment as defined by the Court. This apparent tension is unresolved by the source; do not rewrite the order or award interest on the full later refund. "Regular assessee" appears in the printed operative sentence and is read in context as the regular-assessment reference; the source bytes remain unchanged.; The section 244(1A) question for the 5550-5551 group was not the appealed question in the Supreme Court. The High Court's rule nisi covered it, while only section 214 reached the Court. The direction to the High Court is conditional on that writ issue remaining pending (physical page 60 / SCR 701-A-B); The source gives no assessee name in the operative headings for CAs 5550-5551/1990 or CA 4581/1990 and no complete payment/assessment/refund dates for them. Do not assign those facts to Modi Industries merely because it is the lead caption. AY 1947-48 and the Rs 12,95,508/Rs 6,00,000 amounts belong to the discussed Sarangpur case; Rs 10,000/Rs 15,000 and the Rs 90,000/Rs 50,000 calculations are illustrations.; SCR 698-G starts the summary with "Upto March 31, 1975" before contrasting the amendment effective 1 April 1985. Preserve the two distinct dates: the former is central to section 244(1A)'s payment cutoff; the latter changes section 214 quantum adjustment. Do not silently replace 1975 with 1985 or infer that the section 214 endpoint changed in the intervening period. Section 244(1A)'s insertion date is 1 October 1975, distinct from its payment cutoff.; The quoted second proviso to section 244(1A) excludes one month from the date of the appellate or other order (physical pages 14 and 55 / SCR 655-F and 696-E). A shorthand passage on physical page 30 / SCR 671-F-G instead says excluding the month in which the order was passed. The note preserves the full proviso's date-based rule rather than silently using a calendar-month exclusion.; Source-reference errors are visible in the page images: physical page 29 / SCR 670-F calls the advance-tax credit provision section 199 even after quoting section 219; physical page 35 / SCR 676-A likewise says 199 and SCR 676-E says 209; physical page 51 / SCR 692-D-E uses 209 in the same credit context. The full section 219 quotation at SCR 670 and the express section 199/219 distinction at SCR 697 control this note's explanation. These are not new section 199 or 209 holdings.; Other visible slips include section 2(4) at SCR 680-B instead of the section 2(40) correctly identified at SCR 650-D; an inverted comparison saying assessed tax is more than advance tax while discussing an excess refundable at SCR 685-D; and "Sections 214, 216 and 217" at SCR 685-E in the discussion of interest payable by the assessee, where the surrounding analysis concerns section 215. These passages are not adopted literally as legal rules.; SCR 686-B speaks of excess tax realised "at source" carrying interest to assessment, while SCR 669-E and SCR 679-B-C explicitly distinguish TDS from the section 214 advance-tax entitlement. Do not turn this isolated shorthand/inconsistency into a holding that section 214 gives interest on TDS. The later section 244(1A) treatment of TDS is confined to retained amounts credited on assessment.; The headnote says section 18A was introduced in 1994 (physical page 1 / SCR 642-G), whereas the judicial history says 1944 (physical page 8 / SCR 649-G-H). The physical SCR page 650-A records the rate change from 1 April 1955; the opened Indian Kanoon transcription says 1995. The primary image controls. Rate statements, including "now 15%", are historical language within the 1995 report and are not current rates.; The report contains inconsistent year labels for National Agricultural Cooperative Marketing Federation, (1981) 130 ITR 928 in the headnote but (1980) 130 ITR 928 in the judicial survey; it prints Triplicane Urban Society as (1986) 126 ITR 125. The source also later mentions section 245-D among amendment-order examples although the initial quoted 1985 subsection omits it. Separate reporter and statute verification has not been conducted, and these are not silently corrected or used for a current statutory crosswalk.; No current-law validity, comprehensive subsequent-treatment conclusion, or Income-tax Act, 2025 mapping has been verified. The separately logged National Rayon candidate concerns a different Modi Industries (No. 2), 197 ITR 655, not this 1995 refund-interest judgment; it must not be used to label this case overruled.

Section 214 and section 244(1A) are different historical interest mechanisms, and the 1968 and 1985 versions of section 214(1A) are materially different. Sections 243 and 244(1) govern separate delayed-refund situations discussed by the Court. Section 219 explains advance-tax credit; section 199 concerns tax deducted at source. Section 2(40), sections 143/144 and the 1985 section 214 Explanation 2 govern the regular-assessment issue. Other historical provisions, including sections 140A, 147, 153, 190–191, 207–213, 216–217, 220, 246–264 and 273, are used in the Court's wider scheme analysis; their complete text and modern equivalents are not certified. This judgment is not a section 244A or present-law refund-interest calculator.

STATUTORY SCOPE

Historical Income-tax Act, 1961 and Indian Income-tax Act, 1922 provisions only. No automatic mapping to the Income-tax Act, 2025 or certification of present law; the 1989 changes were expressly left unexamined in this judgment.

LATER TREATMENT

Source checked 2026-10-04. Comprehensive subsequent judicial treatment has not been verified. A bounded repository search and a specific reading of R.R. Holding are separately logged; neither establishes the current authority of every proposition. Precedents discussed within Modi are not later treatment of Modi.

IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 60](#)

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