

Kishan Lal v. Union of India and Anr.

Civil Appeal No. 1386 (NT) of 1987

[1998] 1 SCR 320 | 1998-01-22

Whether rejection of a section 220(2A) application without reasons could stand, and what relief followed while the provision's applicability to the demand remained disputed.

220(2) (default interest) | 220(2A) (reduction or waiver application)

Two-judge bench | B.N. Kirpal, J. | S.P. Kurdukar, J.

Assessment years: See the source-scope notes; no year inferred.

Reasoned redetermination only; waiver eligibility and applicability left open

Kishan Lal requires reasons for deciding a section 220(2A) application and remands this application to the Chief Commissioner, Delhi. No interest waiver, reduction, refund or monetary relief is granted. The Court expressly leaves open whether the provision applies to the disputed earlier demand; no assessment year or interest amount is identified. Authority designations and statutory background are historical, and current procedure, comprehensive later treatment and 2025 Act mapping remain unverified.

01 FACTS OF THE CASE

Default interest was sought under section 220(2). The appellant applied to CBDT for reduction or complete waiver, setting out supporting reasons. A letter dated 29 January 1987 rejected the application after referring to the application and the Commissioner's report, stating only that the conditions of section 220(2A) were not satisfied (physical pages 1–2/SCR 320–321).

The Delhi High Court dismissed the writ challenge on 10 April 1987, holding that the absence of reasons did not vitiate the CBDT order. On appeal, Revenue also contended that subsection (2A) had been inserted after the demand and did not apply to the assessment year involved. The judgment does not identify that assessment year, the demand date or the amount of interest (physical pages 1–3).

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

02 DISCUSSION BY THE HON'BLE COURT

A decision under section 220(2A) is quasi-judicial. Although the then-provision did not expressly require recorded reasons, the duty to issue a speaking order was implicit and followed from natural justice. The decision affects the interest payable and is open to judicial review; some reasons must therefore accompany its disposal. The Court applied Siemens Engineering's requirement that a quasi-judicial order be supported by reasons (physical page 2/SCR 321D-G).

The Court did not decide that the appellant satisfied the statutory conditions or that subsection (2A) applied to the disputed demand. It expressly left the applicability objection to the competent authority. It also noted the change of decision-maker from CBDT to the Chief Commissioner or Commissioner under the amended provision (physical pages 2-3/SCR 321H-322A).

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

03 JUDICIAL DECISION

The appeal was allowed. The High Court and CBDT orders were set aside, and the section 220(2A) application was restored to the file of the Chief Commissioner, Delhi, for disposal at an early date in accordance with law. No order as to costs was made. The Court did not itself reduce or waive interest (physical page 3/SCR 322A-B).

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

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee/appellant on the right to a reasoned redetermination

Appeal allowed; High Court and CBDT orders set aside; waiver application restored to Chief Commissioner, Delhi; no costs

Procedural relief and remand only

Eligibility for waiver or reduction, statutory applicability to the earlier demand, and interest quantum were not determined.

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

05 AKHB REVIEW POINT

A bare statement that statutory conditions are unmet is not a substitute for reasons which connect the record to the decision. Distinguish that procedural entitlement from proof of the substantive conditions and the temporal applicability of the provision, both of which remain essential on remand.

The bounded 2011 compilation check identifies the three section 220(2A) conditions as genuine hardship, circumstances beyond the assessee's control and cooperation, and records the historical insertion and authority changes (physical page 848). These background provisions do not resolve the applicability question expressly left open in this appeal and do not establish present deadlines or automatic waiver rights.

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

PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES

1.

Topic: Identity, appeal number, default-interest application and CBDT refusal

Source url: [Open cited source](#)

Pdf pages: 1; 2

Paragraphs: Reporter identity and unnumbered judicial text

Source role: reported metadata and judicial text

2.

Topic: Quasi-judicial character and implicit reasons requirement

Source url: [Open cited source](#)

Pdf pages: 2

Paragraphs: Unnumbered judicial text

Source role: judicial text

3.

Topic: Expressly unresolved applicability and exact remand with no costs

Source url: [Open cited source](#)

Pdf pages: 2; 3

Paragraphs: Unnumbered judicial text

Source role: judicial text

4.

Topic: Bounded historical statutory check

Source url: [Open cited source](#)

Pdf pages: 848

Paragraphs: Section 220(2A), its three conditions and amendment footnotes 56–61 on physical page 848 (printed 1.807), including insertion from 1 October 1984 and substitution of the Board by Commissioner from 1 April 1987 and Chief Commissioner or Commissioner from 1 April 1988. Other subsections on this page were not relied on.

Source role: historical statutory compilation

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Order of the Court; individual author not stated

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SOURCE & VERIFICATION

Hon'ble Supreme Court source PDF (reported judgment)

Identified source rendition: 3 PDF pages; SHA-256

dfb6605cbb80165fcc609a2ebc98a8eff6898741df459fa8e68ae76f3d728a42. Original bytes preserved.

Complete unnumbered judicial order physical pages 1–3/SCR 320–322, beginning below the appearances on page 1. The headnote on page 1 is editorial. The quoted CBDT rejection is distinguished from the Court's reasons, and the express reservation of statutory applicability on pages 2–3 is retained.

Open cited source rendition

The source is an unsigned order of the Court; the corpus's judge marker does not justify attributing authorship to a particular judge.; No assessment year, demand date, default period, interest rate or quantified interest amount is supplied. None is inferred.; The Court expressly states that it expresses no opinion on the objection that section 220(2A) was inserted after the demand; this is left to the authority.; The remedy is restoration for a reasoned decision, not a waiver, refund, reduction, finding of genuine hardship or satisfaction of all three statutory conditions.; The direction for disposal at an early date is not an exact statutory or court-fixed number of days. Historical authority changes are not silently treated as present procedure.

STATUTORY SCOPE

No automatic mapping to the Income-tax Act, 2025 or present-law certification. Apply the statutory text for the relevant year.

LATER TREATMENT

Source checked 2026-10-04. Comprehensive subsequent judicial and statutory treatment is not verified. Only section 220(2A) and its historical insertion/authority-change footnotes on physical page 848 of the Department-hosted 2011 compilation were checked. No later judgment or post-compilation amendment, current application deadline or Income-tax Act, 2025 mapping is certified.

IDENTIFIED SOURCE LINKS

reported judgment - PDF pages: 3

SHA-256: dfb6605cbb80165fcc609a2ebc98a8eff6898741df459fa8e68ae76f3d728a42

official department hosted historical statutory compilation - PDF pages: 1251

SHA-256: 1ec6e4c38dc1d524d1d40b1fd35d13ac1336c8fc549cef2af1bf723a999c822b

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