PETITIONER:
COMMISSIONER OF WEALTH TAX

Vs.

RESPONDENT:
TRUSTEES OF SAHEBZADAS OF SARAF-E-KHAS TRUST, HYDERABAD ETC

DATE OF JUDGMENT: 10/12/1996

BENCH:
B.P. JEEVAN REDDY, K.S. PARIPOORNAN

ACT:

HEADNOTE:

JUDGMENT:

O R D E R

CIVIL APPEAL NOS. 2952-54 OF 1979:

These appeals are directed against the order of the Andhra Pradesh High Court answering the reference made under Section 27(1) of the Wealth Tax Acts 1957 at the instance of the Revenues in favour of the assessee and against the Revenue. The question referred was:

> "Whether on the facts and in the circumstances of the case the penalty to be levied for the assessment years 1962- 63, 196-64 and 1964-65 should be as per the provisions of Section 18(1)(a) as they stood before amendment with effect from 1.4. 1963 (sic)."

The High Court answered the said question in favour of the ssessee following the earlier decision of the said Court in Commissioner of Wealth Tax v. R.D.Chand [108 I.T.P.787].

In these appeals it is contended by the learned counsel for the appellant-Revenue that the aforesaid question has to be answered in favour of the Revenue and against the assessee following the decision of this Court in Maya Rani Punj v. Commissioner of Income Tax [157 I.T.R.330] which has overruled the earlier decision of this Court in Commissioner of Wealth Tax Suresh Seth [129 I.T.R.328]. Though the said decision has been rendered with reference to the provisions of the Income Tax Acts the ralevant provisions of the Income Tax Act and the Wealth Tax Act are similar and the question considered therein was also similar to the one arising herein. Indeed it overruled the decision in Suresh Seths which fully supports the assessee's contention.

Sri Harish Salvew learned counsel tor the respondent-assessees, while not disputing that the said decision corlcludes the issue against the assessees submitted that the decision in Maya Rani Purj requires reconsideration inasmuch as it has not properly appreciated the ratio of the decision in Suresh Seth, Counsel submitted that the over-ruling of the decision in Suresh Seth is not correct in law. We have heard Sri Salve at some length but we are not satisfied that there are any good and compelling reasons to

depart from the law enunciated in Maya Rani Punj. The decision was rendered by a three-Judge Bench and it has fully considered the principle of Suresh Seth but chose to disagree with it. Not only are we bound by the said decision, we are also not satisfied that there are sufficient grounds warranting reconsideration of the decision in Maya Rani Punj.

Following the said decision, the appeals are allowed. The judgment and order of the High Court is sat aside and the question aforementioned is answered in the negative, i.e., in favour of the Revenue and against the assessee. There shall be no order as to cost.

CIVIL # L NOS.187-190 OF 1980:

These appeals have been directed to be tagged with Civil Appeal Nos.2952-54 of 1979. No separate argument have been addressed herein. In view of the decision in the said appeals these appeals too are allowed and the question referred to the High Court is answered in favour of the Revenue and against the assessee. The question which was referred for the opinion of the High Court reads:

> "Whether on the facts and circumstances of the case the Tribunal was right in holding that the penalties u/s 18(1)(a) for asstt. years 1965-66 to 1968-69 were liable to be calculated in accordance with the law as it stood before amendment on 1.4.69 even before the period of default after 31.3.69 and not as per the increased scale of penalty introduced with effect from 1.4.69 by the Finance Act, 1969?"

Answered accordingly. No costs.