

Supreme Court of India

Assam Oil Company Limited vs Commissioner Of Wealth-Tax ... on 23 September, 1971

Equivalent citations: AIR 1973 SC 996, 1973 91 ITR 22 SC, (1972) 4 SCC 503, 1972 (4) UJ 460 SC

Author: K Hegde

Bench: A Grover, H Khanna, K Hegde

JUDGMENT K.S. Hegde, J.

1. The question of law referred to the High Court under Section 27 of the Wealth-tax Act, 1957 in all these appeals are more or less identical. It is sufficient if we refer to one of those questions. It reads ;

Whether on the facts and in the circumstances of the case the provision of Rs. 2,99,21,841/-made by the assessee for its tax liability less the amount of the last installment of advance tax constituted a debt-owed by the assessee within the meaning of Clause (m) of Section 2 of the Wealth-Tax Act on the relevant valuation date?.

2. The High Court has answered these questions in favour of the revenue but in view of the decision of this Court in Kesoram Industries and Cotton Mills Ltd. v. Commissioner of Wealth Tax (Central Calcutta) 59 I.T.R. p. 767 the conclusion reached by the High Court cannot be accepted as correct.

3. In the result Civil Appeal No. 1404/1970 and Civil Appeal No. 1471 of 71 are allowed, the answer given by the High Court to the questions referred to it are discharged and in its place we answer those questions in favour of the assessee. There will be no order as to costs.

4. Now coming to Civil Appeal No. 1405 of 1970, we revoke the certificate granted by the High Court as the same is not supported by any reason. Hence, that appeal is not maintainable. It is dismissed without any order as to costs.