

Supreme Court of India

Commissioner Of Gift Tax vs Ansuya Sarabhai (Smt) on 13 March, 1997

Equivalent citations: 1999 239 ITR 262 SC, JT 1998 (7) SC 542, (1998) 9 SCC 194

Bench: K Paripoornan, S Kurdukar

ORDER

1. Leave granted in SLPs (C) Nos. 8804 of 1986 and 3117 of 1982.
2. The appeal is against the judgment of the Gujarat High Court reported in Commr. of Gift Tax v. Ansuya Sarabhai, (1982) 133 ITR 108 (Guj).
3. In this appeal a common question of law that arises for consideration is: "Whether on the facts and in the circumstances of the case, the transaction effected by release deed dated 12-7-1964 executed by the assessee is taxable within the meaning of the Gift Tax Act, 1958?"
4. The Appellate Tribunal and also the High Court found that the assessee Smt. Ansuya had surrendered or released her life interest in the portion of the property and it enabled the releases who were the beneficiaries to resume possession of the entire corpus of the property a little earlier. In other words the interest of the beneficiaries in that portion of the property was accelerated. The transaction was held to be bona fide. It is a unilateral act. In such circumstances we are of the view that the High Court was right in holding that there is "no transaction" exigible to tax within the meaning of Gift Tax Act. The appeals are, therefore, dismissed. There shall be no order as to costs.