

**Commissioner of Wealth-tax Vs. Inder Saln Jain and Satyapal Jain**

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**SooperKanoon Citation :** [sooperkanoon.com/682008](http://sooperkanoon.com/682008)

**Court :** Delhi

**Decided On :** Mar-21-1986

**Reported in :** [1987]163ITR831(Delhi)

**Judge :** Mahinder Narain and; Yogeshwar Dayal, JJ.

**Acts :** [Wealth Tax Act, 1957](#) - Sections 14(1), 17, 18 and 18(1)

**Appeal No. :** Wealth-tax References Nos. 28 and 29 of 1976

**Appellant :** Commissioner of Wealth-tax

**Respondent :** Inder Saln Jain and Satyapal Jain

**Judgement :**

**Yogeshwar Dayal, J.**

1. The following question has been referred to this court for its opinion :

'Whether, the Tribunal was right in law in holding that the penalties to be levied should be worked out at the rates prescribed under the law as it existed on the relevant valuation dates ?'

2. These wealth-tax references relate to two assesseds, Indersain Jain and Satyapal Jain, both of whom are partners in a firm 'M/s. Kumar Brothers.'

3. These references relate to the assessment years 1962-63 and 1963-64.

4. For the aforesaid assessment years, Indersain Jain filed his wealth-tax returns on September 18, 1969, in response to notices issued under section 17 of the Wealth-tax Act and Satyapal Jain filed his returns of his net wealth on September 15, 1969, again in response to the notice issued to him under section 17 of the Wealth-tax Act. According to section 14(1) of the Wealth-tax Act, the returns for these years should have been filed on or before September 30, 1962, and September 30, 1963, respectively. The Tribunal found that there was a long delay in filing the returns of net wealth.

5. The Wealth-tax Officer initiated penalty proceedings under section 18(1)(a) of the Wealth-tax Act and the question which arose before the Tribunal was as to what law would be applicable for purposes of penalty proceedings.

6. The Tribunal took the view that the penalty should be worked out at the rate prescribed under law as it existed on the relevant valuation dates.

7. The contention of the Revenue before the Tribunal was that the penalty should be worked out as prescribed under law on the date the return was filed.

8. This question arose before us in similar circumstances in Wealth-tax Reference No. 6 of 1976 (CWT v. Amolak Singh Jain : [1987]163ITR825(Delhi) . Following the decision of the Supreme Court in the case of Maya Rani Punj v. CIT : [1986]157ITR330(SC) , this court took the view that the relevant law would be the law prevailing on the date the returns are filed. We are, thus, of the opinion that the Tribunal was not right in applying the law which was prevailing at the time of valuation date and it should have decided with reference to the law prevailing on the date when the returns were filed. We would accordingly hold that the Tribunal was not right in the view it held and answer the reference in the negative against the assessed and in favor of the Revenue.

9. Parties are, however, left to bear their own costs as nobody has appeared on behalf of the respondent.