

Bombay Dyeing and Manufacturing Co. Ltd.

Vs

Commissioner of Wealth- Tax, Bombay City

Civil Appeal No. 1989 of 1968

(K.S. Hegde, A.N. Grover JJ)

25.08.1971

JUDGMENT

HEGDE J. -

The question referred for the opinion of the High Court under section 27(1) of the Wealth-tax Act, 1957, is :

"Whether, in the circumstances of the case, in computing 'net wealth' as defined in section 2(m) of the Wealth-tax Act or in assessing the net value of the assets under section 7(2) of the said act, the liability of the company in respect of gratuity in terms of the industrial court awards for the benefit of its employees in respect of their periods of service up to the valuation date, should be allowed as a deduction ?"

The High Court following the decision of this court in Standard Mills Co. Ltd. v. Commissioner of Wealth-tax, answered that question in favour of the department. It is not disputed that the said decision governs the facts of this case, but we are asked to have that decision re-considered by a larger bench in view of the decision of this court in Metal Box Company of India Ltd. v. Their Workmen.

Metal Box Company case was a decision rendered under the Bonus Act. In that decision the learned judges referred to the decision of Standard Mills Co. Ltd., and distinguished the same. In our opinion there is no conflict between the two decisions.

For the reasons mentioned above, we see no justification for referring this case to a larger Bench for re-consideration of the decision in Standard Mills Co. Ltd.

In the result this appeal fails and the same is dismissed with cost

Appeal dismissed.

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