

SUPREME COURT OF INDIA

Commissioner of Wealth-Tax

Vs.

Lloyd Insulation (I.) (P.) Ltd.

(S.P. Bharucha, Y.K. Sabharwal and B.N. Agrawal JJ.)

03.11.2000

JUDGMENT

B.N.AGARWAL J.

1. Leave granted.

2. The notice on the special leave petitions stated that the matter might be disposed of at this stage by setting aside the order under challenge and directing the High Court to call for a reference of the questions that were proposed by the Revenue.

3. The questions that were proposed by the Revenue read thus:

"Whether the Income-tax Appellate Tribunal was correct in law :

(a) in cancelling the penalty under Section 18(1)(a) of the Wealth-tax Act, 1957, even though return was filed beyond the prescribed period of limitation ?

(b) in holding that the lack of knowledge of the provisions of law constituted a reasonable cause for filing return beyond the period prescribed ?"

4. The High Court in declining to call for a reference did not assign any reasons, but it seems clear to us that the second question that was proposed is a question of law and the first question is consequential on the reply thereto. We think, therefore, that the order declining to call for a reference must be set aside.

5. The appeals are allowed and the order under challenge is set aside. The Tribunal shall refer to the High Court for its opinion the two questions aforesaid, after drawing up the statement of case.

6. No order as to costs.

