

Maharaja Amrinder Singh v. The Commissioner of Wealth Tax

Civil Appeals Nos. 1349 and 1350 of 2007

[2017] 14 SCR 590 | 2017-09-05

Wealth-tax appeals: formulation of substantial questions of law before deciding a penalty appeal.

Wealth-tax Act, 1957: section 27A | Code of Civil Procedure, 1908: section 100

2-judge bench | R. K. Agrawal, J. | Abhay Manohar Sapre, J.

Assessment years: 1981-82, 1982-83, 1983-84

Remand, not penalty cancellation

The High Court must consider the appeals afresh, formulating substantial questions of law if they arise. The Supreme Court did not finally adjudicate the penalty.

01 FACTS OF THE CASE

For AYs 1981-82 to 1983-84, the Tribunal decided wealth-tax penalty issues in favour of the assessee. On Revenue appeals under section 27A, the Punjab and Haryana High Court reversed the Tribunal and restored the Assessing Officer's penalty order for the entire period of delay. The assessee challenged the High Court orders before the Supreme Court.

Source: [Paras 1-4; SCR pp. 592-593 / PDF pp. 3-4](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court treated section 27A as modelled on section 100 CPC through legislation by incorporation and applied the substantial-question-of-law requirement explained in Santosh Hazari. An appeal without such a question merits dismissal at the threshold. Where a question arises, the High Court must formulate it and decide within the statutory framework; section 27A(5) also preserves hearing of another substantial question for recorded reasons. Here the High Court had neither identified nor formulated the required questions.

Source: [Paras 6-11; SCR pp. 593-596 / PDF pp. 4-7](#)

03 JUDICIAL DECISION

The appeals were allowed, the impugned High Court orders set aside, and both cases remanded for fresh decision in accordance with the judgment, after formulating substantial questions of law if they arise.

Source: [Paras 5 and 12-13; SCR pp. 593 and 596 / PDF pp. 4 and 7](#)

04 OUTCOME / IN WHOSE FAVOUR

The assessee obtained procedural relief against the defective High Court disposal. Whether the Revenue appeals raise a substantial question and what penalty result follows remain for determination on remand.

Source: [Paras 5 and 13; SCR pp. 593 and 596 / PDF pp. 4 and 7](#)

05 AKHB REVIEW POINT

AKHB analysis: examine the memorandum of appeal, admission order and formulated questions before arguing a statutory tax appeal. Preserve an objection to disposal without the required question, while recognising the express power to hear an additional substantial question with recorded reasons. A successful procedural challenge must not be presented to clients as final deletion of the underlying penalty.

Source: [AKHB analysis based on paras 6-13 / PDF pp. 4-7](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

Full 7-page SCR report read, separating editorial headnote from judicial reasoning.

[Open cited source rendition](#)

The SCR paragraph 1 prints one Tribunal order date as 05.07.2011 although the challenged High Court orders are dated 24.08.2004. This internal chronology conflict is not silently corrected; the disputed Tribunal date is not relied on.

Paragraph 11 prints a bracketed reference to section 27(5); the provision reproduced in paragraph 6 and applied throughout is section 27A(5).

Exact source bytes match the catalogue SHA-256.

STATUTORY SCOPE

The decision concerns the section 27A appellate procedure in historical wealth-tax penalty proceedings. It does not determine current wealth-tax liability, penalty quantum or automatic application under a different enactment.

LATER TREATMENT

Source checked 2026-10-10. Comprehensive subsequent treatment has not been verified; no current citator clearance is represented.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.