

CASE NO.:
Appeal (civil) 2977 of 2004

PETITIONER:
ARVIND SUD

RESPONDENT:
UNION OF INDIA & ORS.

DATE OF JUDGMENT: 25/10/2005

BENCH:
B.P.SINGH, S.B.SINHA & P.K.BALASUBRAMANYAN

JUDGMENT:
J U D G M E N T

We have heard counsel for the parties.

It is apparent from our order dated 24th February, 2004 that the only question which remained to be considered was whether the department has charged interest from the year 1993 or from any later date. Counsel appearing for the appellant had then submitted that though the lottery was declared on 12.11.1993, the prize in the form of a Maruti Car was delivered to the appellant on 8.11.1994 and tax liability arose only thereafter. He was liable to pay tax only in the assessment year 1995-1996 on receipt basis. Counsel for the Revenue has produced before us instruction received from the office of the Chief Commissioner of Income Tax, Ludhiana. The letter dated 24.10.2005 clearly states that the interest under Section 234A, 234B and 234C was not charged from the year 1993 as the consideration received on account of lottery prize was assessed on receipt basis, and not on the declaration of the prize. Thus, there is no doubt that the interest has been charged on receipt basis and not on the basis of the date of declaration of the prize.

Counsel for the appellant pointed out that there may be some error of calculation and in particular, he submitted that the interest, if any, payable under Section 234B was payable from December, 1995 and not from any earlier date, since he received the car as a prize on 8.11.1994.

We do not wish to express any considered opinion on this question, since it is always open to the appellant to move the appropriate authority under Section 154 of the Income Tax Act for appropriate order.

With the above observation, the civil appeal is dismissed.