(1990) 07 SC CK 0009

In the Supreme Court Of India

Case No : Civil Appeal No''s. 108 of 1975 and 350 of 1976

Jagdambika Prasad Singh APPELLANT

Vs

State of U.P. RESPONDENT

Date of Decision : 11-07-1990

Acts Referred:

Citation : AIR 1990 SC 1780 : (1990) SCC 808 Supp : (1990) 1 SCC 808 Supp

Hon'ble Judges : S. C. Agrawal, J;Ranganath Misra, J;M. M. Punchhi, J

Bench : Full Bench

Final Decision : Dismissed

Judgement

1. The first of these appeals is by certificate while the other is by special leave but both deal with the collection of agricultural income tax from the appellant who is erstwhile zamindar of Ayodhya in U.P. for the assessment year 1952-53. Under the U.P. Zamindari Abolition Act, 1952, Zamindari came to be abolished immediately before the end of the assessment year.

2. We have heard counsel for the parties and have also looked into the record placed before us. There is no dispute that the appellant's tax liability has been assessed at Rs. 3,40,090/ - by the original authority under the Act and in appeal the Commissioner had reduced the same to Rs. 1,89,364.62p. Mr. Manchanda counsel for the appellant does not dispute the appellant's liability to pay the reduced amount of tax. He, however, challenges liability for interest on the said amount by contending that no fresh demand subsequent to the appellate order scaling down the liability had been issued and several other aspects including the fact that the appellant's compensation bonds were in the hands of the State for meeting the tax liability. The High Court by the impugned decision has held that interest was not payable for some years. We find that for satisfying the impugned liability Zamindari Abolition Bonds to the tune of Rs. 3,00,000/- have been withheld by the State Government for quite a number of years now. In the facts appearing on record interests of justice will be met if out of the said bonds the State of U.P. is permitted to recover sum of Rs. 1,89,364.62p. together with

interest on the said bonds for that amount. Similarly the balance out of three lacs should be released to the appellant with interest on that amount. The appellant has no other liability under the agricultural income tax for the year. The appeals are disposed of with these directions. No costs.

