

⁴¹ CHAPTER VA

SETTLEMENT OF CASES

⁴²[Definitions.

22A. In this Chapter, unless the context otherwise requires,—

(a) "Bench" means a Bench of the Settlement Commission ;

⁴³[(b) "case" means any proceeding for assessment under this Act, of any person in respect of any assessment year or assessment years which may be pending before an Assessing Officer on the date on which an application under sub-section (1) of section 22C is made :

Provided that—

(i) a proceeding for assessment or reassessment under section 17;

(ii) a proceeding for making fresh assessment in pursuance of an order under section 23A or section 24 or section 25, setting aside or cancelling an assessment,

(iii) ^{43a}[***]

shall not be a proceeding for assessment for the purposes of this clause.

Explanation.—For the purposes of this clause—

(i) a proceeding for assessment or reassessment referred to in clause (i) of the proviso shall, in case where a notice under section 17 is issued but not on the basis of search under section 37A or requisition under section 37B, be deemed to have commenced from the date on which a notice under section 17 is issued;

(ii) a proceeding for making fresh assessment referred to in clause (ii) of the proviso shall be deemed to have commenced from the date on which the order under section 23A or section 24 or section 25, setting aside or cancelling an assessment was passed;

^{43b}[(iii) a proceeding for assessment or reassessment for any of the assessment years, in consequence of a search initiated under section 37A or requisition made under section 37B, shall be deemed to have commenced on the date of issue of notice initiating such proceedings and concluded on the date on which the assessment is made;]

(iv) a proceeding for assessment for an assessment year, other than the proceeding of assessment or reassessment referred to in clause (i) or clause (ii) ^{43c}[of the proviso or clause (iii) of the *Explanation*], shall be deemed to have commenced from the 1st day of the assessment year and concluded on the date on which the assessment is made;]

(c) "Chairman" means the Chairman of the Settlement Commission ;

(d) "Member" means a Member of the Settlement Commission, and includes the Chairman and a Vice-Chairman ;

(e) "Settlement Commission" means the Income-tax Settlement Commission constituted under section 245B of the Income-tax Act ;

(f) "Vice-Chairman" means a Vice-Chairman of the Settlement Commission ⁴⁴[and includes a Member who is senior amongst the Members of a Bench;]

- (g) "wealth-tax authority" means an income-tax authority specified in section 116 of the Income-tax Act who is treated as a wealth-tax authority under section 8.]

Section - 22B, Wealth-Tax Act, 1957

Wealth-tax Settlement Commission.

22B. (1) The Central Government shall constitute a Commission to be called the Wealth-tax Settlement Commission ⁴⁵[***] for the settlement of cases under this Chapter.

(2) The Settlement Commission shall consist of a Chairman ⁴⁶[and as many Vice-Chairmen and other members as the Central Government thinks fit] and shall function within the Department of the Central Government dealing with direct taxes.

(2A) ⁴⁷[* * *]

(3) The Chairman ⁴⁸[, Vice-Chairman] and other members of the Settlement Commission shall be appointed by the Central Government from amongst persons of integrity and outstanding ability, having special knowledge of, and experience in, problems relating to direct taxes and business accounts :

Provided that, where a member of the Board is appointed as the Chairman ⁴⁹[, Vice-Chairman] or as a member of the Settlement Commission, he shall cease to be a member of the Board.

⁵⁰[* * *]

Section - 22BA, Wealth-Tax Act, 1957

⁵¹[**Jurisdiction and powers of Settlement Commission.**

22BA. (1) Subject to the other provisions of this Chapter, the jurisdiction, powers and authority of the Settlement Commission may be exercised by Benches thereof.

(2) Subject to the other provisions of this section, a Bench shall be presided over by the Chairman or a Vice-Chairman and shall consist of two other Members.

(3) The Bench for which the Chairman is the Presiding Officer shall be the principal Bench and the other Benches shall be known as additional Benches.

(4) Notwithstanding anything contained in sub-sections (1) and (2), the Chairman may authorise the Vice-Chairman or other Member appointed to one Bench to discharge also the functions of the Vice-Chairman or, as the case may be, other Member of another Bench.

(5) Notwithstanding anything contained in the foregoing provisions of this section, and subject to any rules that may be made in this behalf, when one of the persons constituting a Bench (whether such person be the Presiding Officer or other Member of the Bench) is unable to discharge his functions owing to absence, illness or any other cause or in the event of the occurrence of any vacancy either in the office of the Presiding Officer or in the office of one or the other Members of the Bench, the remaining two persons may function as the Bench and if the Presiding Officer of the Bench is not one of the remaining two persons, the senior among the remaining persons shall act as the Presiding Officer of the Bench :

Provided that if at any stage of the hearing of any case or matter, it appears to the Presiding Officer that the case or matter is of such a nature that it ought to be heard by a Bench consisting

of three Members, the case or matter may be referred by the Presiding Officer of such Bench to the Chairman for transfer to such Bench as the Chairman may deem fit.

⁵²[(5A) Notwithstanding anything contained in the foregoing provisions of this section, the Chairman may, for the disposal of any particular case, constitute a Special Bench consisting of more than three Members.]

(6) Subject to the other provisions of this Chapter, the places at which the principal Bench and the additional Benches shall ordinarily sit, shall be such as the Central Government may, by notification in the Official Gazette, specify ⁵²[and the Special Bench shall sit at a place to be fixed by the Chairman.]

Section - 22BB, Wealth-Tax Act, 1957

⁵³[**Vice-Chairman to act as Chairman or to discharge his functions in certain circumstances.**

22BB. (1) In the event of the occurrence of any vacancy in the office of the Chairman by reason of his death, resignation or otherwise, the Vice- Chairman or, as the case may be, such one of the Vice-Chairmen as the Central Government may, by notification in the Official Gazette, authorise in this behalf, shall act as the Chairman until the date on which a new Chairman, appointed in accordance with the provisions of this Chapter to fill such vacancy, enters upon his office.

(2) When the Chairman is unable to discharge his functions owing to absence, illness or any other cause, the Vice-Chairman or, as the case may be, such one of the Vice-Chairmen as the Central Government may, by notification in the Official Gazette, authorise in this behalf, shall discharge the functions of the Chairman until the date on which the Chairman resumes his duties.]

Section - 22BC, Wealth-Tax Act, 1957

⁵³[**Power of Chairman to transfer cases from one Bench to another.**

22BC. On the application of the assessee or the ⁵⁴[Chief Commissioner or Commissioner] and after notice to them, and after hearing such of them as may desire to be heard, or on his own motion without such notice, the Chairman may transfer any case pending before one Bench, for disposal, to another Bench.]

Section - 22BD, Wealth-Tax Act, 1957

⁵⁵[**Decision to be by majority.**

22BD. If the Members of a Bench differ in opinion on any point, the point shall be decided according to the opinion of the majority, if there is a majority, but if the Members are equally divided, they shall state the point or points on which they differ, and make a reference to the Chairman who shall either hear the point or points himself or refer the case for hearing on such point or points by one or more of the other Members of the Settlement Commission and such point or points shall be decided according to the opinion of the majority of the Members of the Settlement Commission who have heard the case, including those who first heard it.]

Application for settlement of cases.

22C. ⁵⁶[(1) ⁵⁷An assessee may, at any stage of a case relating to him, make an application in such form and in such manner as may be prescribed, and containing a full and true disclosure of his wealth which has not been disclosed before the ⁵⁸[Assessing Officer], the manner in which such wealth has been derived, the additional amount of wealth-tax payable on such wealth and such other particulars as may be prescribed, to the Settlement Commission to have the case settled and any such application shall be disposed of in the manner hereinafter provided :

⁵⁹[**Provided** that no such application shall be made unless such wealth-tax and the interest thereon, which would have been paid under the provisions of this Act had the wealth declared in the application been declared in the return of wealth before the Assessing Officer on the date of application, has been paid on or before the date of making the application and the proof of such payment is attached with the application.]

(1A) For the purposes of sub-section (1) of this section ⁶⁰[***] the additional amount of wealth-tax payable in respect of the wealth disclosed in an application made under sub-section (1) of this section shall be the amount calculated in accordance with the provisions of sub-sections (1B) to (1D).

⁶¹[(1B) Where the wealth disclosed in the application relates to only one previous year,—

- (i) if the applicant has not furnished a return in respect of the net wealth of that year, then, wealth-tax shall be calculated on the wealth disclosed in the application as if such wealth were the net wealth;
- (ii) if the applicant has furnished a return in respect of the net wealth of that year, wealth-tax shall be calculated on the aggregate of the net wealth returned and the wealth disclosed in the application as if such aggregate were the net wealth.]

⁶²[(1C) The additional amount of wealth-tax payable in respect of the wealth disclosed in the application relating to the previous year referred to in sub-section (1B) shall be,—

- (a) in a case referred to in clause (i) of that sub-section, the amount of wealth-tax calculated under that clause ;
- (b) in a case referred to in clause (ii) of that sub-section, the amount of wealth-tax calculated under that clause as reduced by the amount of wealth-tax calculated on the net wealth returned for that year ;
- (c) ⁶³[***]

(1D) Where the wealth disclosed in the application relates to more than one assessment year, the additional amount of wealth-tax payable in respect of the wealth disclosed for each of the years shall first be calculated in accordance with the provisions of sub-sections (1B) and (1C) and the aggregate of the amount so arrived at in respect of each of the years for which the application has been made under sub-section (1) shall be the additional amount of wealth-tax payable in respect of the wealth disclosed in the application.

(1E) Where any books of account or other documents belonging to an assessee are seized under section 37A, the assessee shall not be entitled to make an application under sub-section (1) before the expiry of one hundred and twenty days from the date of the seizure.

(2) Every application made under sub-section (1) shall be accompanied by such fees as may be prescribed.

(3) An application made under sub-section (1) shall not be allowed to be withdrawn by the applicant.

⁶⁴[(4) An assessee shall, on the date on which he makes an application under sub-section (1) to the Settlement Commission, also intimate the Assessing Officer in the prescribed manner of having made such application to the said Commission.]

Section - 22D, Wealth-Tax Act, 1957

Procedure on receipt of an application under section 22C.

22D. ⁶⁵[(1) *On receipt of an application under section 22C, the Settlement Commission shall, within seven days from the date of receipt of the application, issue a notice to the applicant requiring him to explain as to why the application made by him be allowed to be proceeded with, and on hearing the applicant, the Settlement Commission shall, within a period of fourteen days from the date of the application, by an order in writing, reject the application or allow the application to be proceeded with:

Provided that where no order has been passed within the aforesaid period by the Settlement Commission, the application shall be deemed to have been allowed to be proceeded with.]

⁶⁶(1A) [*Omitted by the Finance (No. 2) Act, 1991, w.e.f. 27-9-1991.*]

(2) A copy of every order under sub-section (1) shall be sent to the applicant and to the Commissioner.

⁶⁷[(2A) Where an application was made under section 22C before the 1st day of June, 2007 but an order under the provisions of sub-section (1) of this section, as they stood immediately before their amendment by the Finance Act, 2007, has not been made before the 1st day of June, 2007, such application shall be deemed to have been allowed to be proceeded with if the additional wealth-tax on the wealth disclosed in such application and the interest thereon is paid on or before the 31st day of July, 2007.

Explanation.—In respect of the applications referred to in this sub-section, the 31st day of July, 2007 shall be deemed to be the date of the order of rejection or allowing the application to be proceeded with under sub-section (1).

(2B) The Settlement Commission shall,—

- (i) in respect of an application which is allowed to be proceeded with under sub-section (1), within thirty days from the date on which the application was made; or
- (ii) in respect of an application referred to in sub-section (2A) which is deemed to have been allowed to be proceeded with under that sub-section, on or before the 7th day of August, 2007,

call for a report from the Commissioner, and the Commissioner shall furnish the report within a period of thirty days of the receipt of communication from the Settlement Commission.

(2C) Where a report of the Commissioner called for under sub-section (2B) has been furnished within the period specified therein, the Settlement Commission may, on the basis of the material contained in such report and within a period of fifteen days of the receipt of the report, by an order in writing, declare the application in question as invalid, and shall send the copy of such order to the applicant and the Commissioner:

Provided that an application shall not be declared invalid unless an opportunity has been given to the applicant of being heard:

Provided further that where the Commissioner has not furnished the report within the aforesaid period, the Settlement Commission shall proceed further in the matter without the report of the Commissioner.

(2D) Where an application was made under sub-section (1) of section 22C before the 1st day of June, 2007 and an order under the provisions of sub-section (1) of this section, as they stood immediately before their amendment by the Finance Act, 2007, allowing the application to have been proceeded with, has been passed before the 1st day of June, 2007, but an order under the provisions of sub-section (4), as they stood immediately before their amendment by the Finance Act, 2007, was not passed before the 1st day of June, 2007, such application shall not be allowed to be further proceeded with unless the additional wealth-tax on the wealth disclosed in such application and the interest thereon, is, notwithstanding any extension of time already granted by the Settlement Commission, paid on or before the 31st day of July, 2007.]

⁶⁸(3) The Settlement Commission, in respect of—

- (i) an application which has not been declared invalid under sub-section (2C); or
- (ii) an application referred to in sub-section (2D) which has been allowed to be further proceeded with under that sub-section,

may call for the records from the Commissioner and after examination of such records, if the Settlement Commission is of the opinion that any further enquiry or investigation in the matter is necessary, it may direct the Commissioner to make or cause to be made such further enquiry or investigation and furnish a report on the matters covered by the application and any other matter relating to the case, and the Commissioner shall furnish the report within a period of ninety days of the receipt of communication from the Settlement Commission:

Provided that where the Commissioner does not furnish his report within the aforesaid period, the Settlement Commission may proceed to pass an order under sub-section (4) without such report.

(4) After examination of the records and the report of the Commissioner, if any, received under—

- (i) sub-section (2B) or sub-section (3), or
- (ii) the provisions of sub-section (1), as they stood immediately before their amendment by the Finance Act, 2007,

and after giving an opportunity to the applicant and to the Commissioner to be heard, either in person or through a representative duly authorised in this behalf, and after examining such further evidence as may be placed before it or obtained by it, the Settlement Commission may, in accordance with the provisions of this Act, pass such order, as it thinks fit, on the matters covered by the application and any other matter relating to the case not covered by the application, but referred to in the report of the Commissioner.

(4A) The Settlement Commission shall pass an order under sub-section (4),—

- (i) in respect of an application referred to in sub-section (2A) or sub-section (2D), on or before the 31st day of March, 2008;
- (ii) in respect of an application made on or after the 1st day of June, 2007 ^{68a}[but before the 1st day of June, 2010], within twelve months from the end of the month in which the application was made;]

^{68b}[(iii) in respect of an application made on or after the 1st day of June, 2010, within eighteen months from the end of the month in which the application was made.]

⁶⁹[(5) Subject to the provisions of section 22BA, the materials brought on record before the Settlement Commission shall be considered by the Members of the concerned Bench before passing any order under sub-section (4) and, in relation to the passing of such order, the provisions of section 22BD shall apply.]

(6) Every order passed under sub-section (4) shall provide for the terms of settlement including any demand by way of ⁷⁰[tax, penalty or interest], the manner in which any sum due under the settlement shall be paid and all other matters to make the settlement effective and shall also provide that the settlement shall be void if it is subsequently found by the Settlement Commission that it has been obtained by fraud or misrepresentation of facts.

⁷¹[(6A) Where any tax payable in pursuance of an order under sub-section (4) is not paid by the assessee within thirty-five days of the receipt of a copy of the order by him, then, whether or not the Settlement Commission has extended the time for payment of such tax or has allowed payment thereof by instalments, the assessee shall be liable to pay simple interest at ⁷²[one and one-fourth per cent for every month or part of a month] on the amount remaining unpaid from the date of expiry of the period of thirty-five days aforesaid.]

^{72a}[(6B) The Settlement Commission may, at any time within a period of six months from the date of the order, with a view to rectifying any mistake apparent from the record, amend any order passed by it under sub-section (4):

Provided that an amendment which has the effect of modifying the liability of the applicant shall not be made under this sub-section unless the Settlement Commission has given notice to the applicant and the Commissioner of its intention to do so and has allowed the applicant and the Commissioner an opportunity of being heard.]

(7) Where a settlement becomes void as provided in sub-section (6), the proceedings with respect to the matters covered by the settlement shall be deemed to have been revived from the stage at which the application was allowed to be proceeded with by the Settlement Commission and the wealth-tax authority concerned may, notwithstanding anything contained in any other provision of this Act, complete such proceedings at any time before the expiry of two years from the end of the financial year in which the settlement became void.

⁷³[(8) For the removal of doubts, it is hereby declared that nothing contained in section 17A shall apply to any order passed under sub-section (4) or to any order of assessment or reassessment required to be made by the ⁷⁴[Assessing Officer] in pursuance of any directions contained in such order passed by the Settlement Commission.]

Section - 22DD, Wealth-Tax Act, 1957

⁷⁵[**Power of Settlement Commission to order provisional attachment to protect revenue.**

22DD. (1) Where, during the pendency of any proceeding before it, the Settlement Commission is of the opinion that for the purpose of protecting the interests of the revenue it is necessary so to do, it may, by order, attach provisionally any property belonging to the applicant in the manner provided in the Second Schedule to the Income-tax Act as made applicable to this Act by section 32:

Provided that where a provisional attachment made under section 34C is pending immediately before an application is made under section 22C, an order under this sub-section shall continue such provisional attachment up to the period up to which an order made under section 34C would have continued if such application had not been made:

Provided further that where the Settlement Commission passes an order under this sub-section after the expiry of the period referred to in the preceding proviso, the provisions of sub-section (2) shall apply to such order as if the said order had originally been passed by the Settlement Commission.

(2) Every provisional attachment made by the Settlement Commission under sub-section (1) shall cease to have effect after the expiry of a period of six months from the date of the order made under sub-section (1) :

Provided that the Settlement Commission may, for reasons to be recorded in writing, extend the aforesaid period by such further period or periods as it thinks fit ⁷⁶[***].

Section - 22E, Wealth-Tax Act, 1957

Power of Settlement Commission to reopen completed proceedings.

22E. If the Settlement Commission is of the opinion (the reasons for such opinion to be recorded by it in writing) that, for the proper disposal of the case pending before it, it is necessary or expedient to reopen any proceeding connected with the case, but which has been completed under this Act by any wealth-tax authority before the application under section 22C was made, it may, with the concurrence of the applicant, reopen such proceeding and pass such order thereon as it thinks fit as if the case in relation to which the application for settlement had been made by the applicant under that section covered such proceeding also :

⁷⁷[**Provided** that no proceeding shall be reopened by the Settlement Commission under this section if the period between the end of the assessment year to which such a proceeding relates and the date of application for settlement under section 22C exceeds nine years :]

⁷⁸[**Provided further** that no proceeding shall be reopened by the Settlement Commission under this section in a case where an application under section 22C is made on or after the 1st day of June, 2007.]

Section - 22F, Wealth-Tax Act, 1957

Powers and procedure of Settlement Commission.

22F. (1) In addition to the powers conferred on the Settlement Commission under this Chapter, it shall have all the powers which are vested in a wealth-tax authority under this Act.

(2) Where an application made under section 22C has been allowed to be proceeded with under section 22D, the Settlement Commission shall, until an order is passed under sub-section (4) of section 22D, have, subject to the provisions of sub-section (3) of that section, exclusive jurisdiction to exercise the powers and perform the functions of a wealth-tax authority under this Act in relation to the case :

⁷⁸[**Provided** that where an application has been made under section 22C on or after the 1st day of June, 2007, the Settlement Commission shall have such exclusive jurisdiction from the date on which the application was made :

Provided further that where—

- (i) an application made on or after the 1st day of June, 2007, is rejected under sub-section (1) of section 22D; or

- (ii) an application is not allowed to be proceeded with under sub-section (2A) of section 22D, or, as the case may be, is declared invalid under sub-section (2C) of that section; or
- (iii) an application is not allowed to be further proceeded with under sub-section (2D) of section 22D,

the Settlement Commission, in respect of such application shall have such exclusive jurisdiction up to the date on which the application is rejected, or, not allowed to be proceeded with, or, declared invalid, or, not allowed to be further proceeded with, as the case may be.]

(3) Notwithstanding anything contained in sub-section (2) and in the absence of any express direction to the contrary by the Settlement Commission, nothing contained in this section shall affect the operation of any other provisions of this Act requiring the applicant to pay tax on the basis of self-assessment in relation to the matters before the Settlement Commission.

(4) For the removal of doubt, it is hereby declared that, in the absence of any express direction by the Settlement Commission to the contrary, nothing in this Chapter shall affect the operation of the provisions of this Act in so far as they relate to any matters other than those before the Settlement Commission.

(5) ⁷⁹[* * *]

(6) ⁷⁹[* * *]

⁸⁰[(7) The Settlement Commission shall, subject to the provisions of this Chapter, have power to regulate its own procedure and the procedure of Benches thereof in all matters arising out of the exercise of its powers or of the discharge of its functions, including the places at which the Benches shall hold their sittings.]

Section - 22G, Wealth-Tax Act, 1957

⁸¹ **Inspection, etc., of reports.**

22G. No person shall be entitled to inspect, or obtain copies of, any reports made by any wealth-tax authority to the Settlement Commission ; but the Settlement Commission may, in its discretion, furnish copies thereof to any such person on an application made to it in this behalf and on payment of the prescribed fee:

Provided that, for the purpose of enabling any person whose case is under consideration to rebut any evidence brought on the record against him in any such report, the Settlement Commission shall, on an application made in this behalf and on payment of the prescribed fee by such person, furnish him with a certified copy of any such report or part thereof relevant for the purpose.

Section - 22H, Wealth-Tax Act, 1957

Powers of Settlement Commission to grant immunity from prosecution.

22H. (1) The Settlement Commission may, if it is satisfied that any person who made the application for settlement under section 22C has co-operated with the Settlement Commission in the proceedings before it and has made a full and true disclosure of his net wealth and the manner in which such wealth has been acquired, grant to such person, subject to such conditions as it may think fit to impose, immunity from prosecution for any offence under this Act or under the Indian Penal Code (45 of 1860) or under any other Central Act for the

time being in force ⁸²[and also (either wholly or in part) from the imposition of any penalty] under this Act, with respect to the case covered by the settlement:

⁸³[**Provided** that no such immunity shall be granted by the Settlement Commission in cases where the proceedings for the prosecution for any such offence have been instituted before the date of receipt of the application under section 22C:]

⁸⁴[**Provided further** that the Settlement Commission shall not grant immunity from prosecution for any offence under the Indian Penal Code (45 of 1860) or under any Central Act other than this Act and Income-tax Act, 1961 (43 of 1961) to a person who makes an application under section 22C on or after the 1st day of June, 2007.]

⁸⁵[(1A) An immunity granted to a person under sub-section (1) shall stand withdrawn if such person fails to pay any sum specified in the order of settlement passed under sub-section (4) of section 22D within the time specified in such order or within such further time as may be allowed by the Settlement Commission, or fails to comply with any other condition subject to which the immunity was granted and thereupon the provisions of this Act shall apply as if such immunity had not been granted.]

(2) An immunity granted to a person under sub-section (1) may, at any time, be withdrawn by the Settlement Commission, if it is satisfied that such person ⁸⁶[* * *] had, in the course of the settlement proceedings, concealed any particular material to the settlement or had given false evidence, and thereupon such person may be tried for the offence with respect to which the immunity was granted or for any other offence of which he appears to have been guilty in connection with the settlement and shall also become liable to the imposition of any penalty under this Act to which such person would have been liable, had no such immunity been granted.

Section - 22HA, Wealth-Tax Act, 1957

⁸⁷[**Abatement of proceedings before Settlement Commission.**

22HA. (1) Where,—

- (i) an application made under section 22C on or after the 1st day of June, 2007 has been rejected under sub-section (1) of section 22D; or
- (ii) an application made under section 22C has not been allowed to be proceeded with under sub-section (2A) or further proceeded with under sub-section (2D) of section 22D; or
- (iii) an application made under section 22C has been declared as invalid under sub-section (2C) of section 22D; or
- (iv) in respect of any other application made under section 22C, an order under sub-section (4) of section 22D has not been passed within the time or period specified under sub-section (4A) of section 22D,

the proceedings before the Settlement Commission shall abate on the specified date.

Explanation.—For the purposes of this sub-section, "specified date" means—

- (a) in respect of an application referred to in clause (i), the date on which the application was rejected;
- (b) in respect of an application referred to in clause (ii), the 31st day of July, 2007;
- (c) in respect of an application referred to in clause (iii), the last day of the month in which the application was declared invalid;

(d) in respect of an application referred to in clause (iv), the date on which the time or period specified in sub-section (4A) of section 22D expires.

(2) Where a proceeding before the Settlement Commission abates, the Assessing Officer, or, as the case may be, any other wealth-tax authority before whom the proceeding at the time of making the application was pending, shall dispose of the case in accordance with the provisions of this Act as if no application under section 22C had been made.

(3) For the purposes of sub-section (2), the Assessing Officer, or, as the case may be, other wealth-tax authority, shall be entitled to use all the material and other information produced by the assessee before the Settlement Commission or the results of the inquiry held or evidence recorded by the Settlement Commission in the course of the proceedings before it, as if such material, information, inquiry and evidence had been produced before the Assessing Officer or other wealth-tax authority or held or recorded by him in the course of the proceedings before him.

(4) For the purposes of the time-limit under sections 17A, 32 and 35 and for the purposes of payment of interest under section 34A, in case referred to in sub-section (2), the period commencing on and from the date of an application to the Settlement Commission under section 22C and ending with "specified date" referred to in sub-section (1) shall be excluded.

Section - 22HAA, Wealth-Tax Act, 1957

Credit for tax paid in case of abatement of proceedings.

22HAA. Where an application made under section 22C on or after the 1st day of June, 2007, is rejected under sub-section (1) of section 22D, or any other application made under section 22C is not allowed to be proceeded with under sub-section (2A) of section 22D or is declared invalid under sub-section (2C) of section 22D or has not been allowed to be further proceeded with under sub-section (2D) of section 22D or an order under sub-section (4) of section 22D has not been passed within the time or period specified under sub-section (4A) of section 22D, the Assessing Officer shall allow the credit for the tax and interest paid on or before the date of making the application or during the pendency of the case before the Settlement Commission.]

Section - 22I, Wealth-Tax Act, 1957

Order of settlement to be conclusive.

22I. Every order of settlement passed under sub-section (4) of section 22D shall be conclusive as to the matters stated therein and no matter covered by such order shall, save as otherwise provided in this Chapter, be reopened in any proceeding under this Act or under any other law for the time being in force.

Section - 22J, Wealth-Tax Act, 1957

Recovery of sums due under order of settlement.

22J. Any sum specified in an order of settlement passed under sub-section (4) of section 22D may, subject to such conditions, if any, as may be specified therein, be recovered, and any

penalty for default in making payment of such sum may be imposed and recovered in accordance with the provisions of section 32 by the ⁸⁸[Assessing Officer] having jurisdiction over the person who made the application for settlement under section 22C.

Section - 22K, Wealth-Tax Act, 1957

⁸⁹**[Bar on subsequent application for settlement.**

22K. (1) Where,—

- (i) an order of settlement passed under sub-section (4) of section 22D provides for the imposition of a penalty on the person who made the application under section 22C for settlement, on the ground of concealment of particulars of his net wealth; or
- (ii) after the passing of an order of settlement under the said sub-section (4) in relation to a case, such person is convicted of any offence under Chapter VIII in relation to that case; or
- (iii) the case of any such person was sent back to the Assessing Officer by the Settlement Commission on or before the 1st day of June, 2002,

then, he shall not be entitled to apply for settlement under section 22C in relation to any other matter.

(2) Where a person has made an application under section 22C on or after the 1st day of June, 2007 and if such application has been allowed to be proceeded with under sub-section (1) of section 22D, such person shall not be subsequently entitled to make an application under section 22C.]

Section - 22L, Wealth-Tax Act, 1957

Proceedings before the Settlement Commission to be judicial proceedings.

22L. Any proceeding under this Chapter before the Settlement Commission shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purposes of section 196⁹⁰, of the Indian Penal Code (45 of 1860).

Section - 22M, Wealth-Tax Act, 1957

Certain persons who have filed appeals to the Appellate Tribunal entitled to make applications to the Settlement Commission.

⁹¹ **22M.** [*Omitted by the Finance Act, 1987, w.e.f. 1-6-1987.*]