

Cwt Vs. Raghvendra Singh

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Court : Delhi

Decided On : Nov-06-2000

Reported in : [2001]118TAXMAN497(Delhi)

Appeal No. : WT Reference Nos. 16 to 34 of 1979 (C.M. Nos. 685 to 703 of 2000)
6 November 2000

Appellant : Cwt

Respondent : Raghvendra Singh

Advocate for Pet/Ap. : R.C. Pande; and Ms. Prem Lata Bansal, for the Revenue;
R.C. Beri, for the assessed

Judgement :

ORDER

This is an application for substitution by the legal representatives of the deceased assessee.

2. Heard. Allowed.

3. Mrs. Indira K.P. Singh and Mrs. Prem Shamsheer Singh are imp ledged as respondents in place of late Sh. Raghavendra Singh, who is stated to have died on 13-6-2000. Petitioner to file amended memo of parties.

W.T.R. Nos. 16 to 34 of 1979

4. All these reference petitions involve identical questions and have been referred at the instance of the revenue and the assessed for the assessment years 1962-63 to 1969-70. The questions are as follows and have been referred under section 27 of the Wealth Tax Act, 1957, (hereinafter referred to as 'the Act') :

'1. Whether, on the facts and in the circumstances of the case, the Tribunal is justified in holding that rule 1D is inapplicable to the present case as it is in conflict with the substantive provisions of the Act including the charging section 3?

2. Whether, on the facts and in the circumstances of the case, the Tribunal is justified in holding that while determining the market value of unquoted shares of a company, no deduction can be allowed under rule 1D of the Wealth Tax Rules, 1957 in respect of liability for tax relating to an amount appearing as liability in the balance-sheet which is held liable to tax in the hands of the company?

3. If the answer to the question No. 2 is in the affirmative, then whether on the facts and in the circumstances of the case, the Tribunal is justified in holding that, notwithstanding rule 1D, tax deduction (not provided for in the balance-sheet of the company) on enhanced compensation (appearing in the balance-sheet as a liability but held liable to tax) should be allowed as a deduction for the purpose of determining the value of the share by break-up value method?

4. Whether, on the facts and in the circumstances of the case, the Tribunal was justified in making amendment to its order dated 9-12-1976

5. If the answer to the above question is in the affirmative, then whether the Tribunal was justified in holding that rule 1D of the Wealth Tax Rules, 1957 had no application to the assessment years 1962-63, 1963-64 and 1964-65?'

5. Similar issue arose in the case of Mrs. Prem Shamsher Singh v. CWT/Mrs. Indira K.P. Singh v. CWT and Raghavendra Singh v. CWT : [1994]210ITR233(Delhi) . In view of the decision in the said case, all the questions have to be answered in the negative, in favor of the revenue and against the assessee.

6. All the reference petitions stand disposed of accordingly.

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