(2004) 11 DEL CK 0094

In the Delhi High Court

Case No : GT Appeal No. 2 of 2003

Commissioner of Gift Tax APPELLANT

Vs

Dr. Inder Chand Jain RESPONDENT

Date of Decision : 16-11-2004

Acts Referred:

Citation : (2005) 195 CTR 504 : (2005) 145 TAXMAN 61

Hon'ble Judges : B.C. Patel, C.J;Badar Durrez Ahmed, J

Bench : Division Bench

Advocate : P.L. Bansal, for the Appellant; D.N. Sahni, for the Respondent

Final Decision : Dismissed

Judgement

1. On facts, the Tribunal has noted that the assessed had two equity shares of the Delhi Stock Exchange Association Ltd. which were acquired in the year 1961 for Rs. 14,400. These shares were unquoted. As per the policy of the Government, a member of the stock exchange was not allowed to hold more than one equity share. The assessed, in view of this, transferred one share in January, 1991 for a consideration of Rs. 2,60,000 to one Mr. Yogen Khosla. The Revenue urges that the Tribunal has committed grave error in not accepting the value at Rs. 13 lakhs and in not considering the difference as being subject to gift-tax. AO has indicated as under :

"If sensex of DSE (it is for Delhi Stock Exchange) in 1991 and 1992 and the volume of trade is taken into consideration, a fair idea can be had about the value of the DSE ticket (ticket/shares/membership are the words used). On this basis, my predecessors had worked out the value as on March, 1991 at Rs. 34.50 lakhs. This shows that intrinsic value of share is more than what is shown in records."

It is further observed as under :

"Besides, there can be fairly good idea of fair market value of an asset from the prices fetched in open auction. Although no data is available from DSE, the position of the difference between auctioned value and transfers declared in respect of BSE is apparent from the details below :

26-10-1991 Ticket auctioned at Rs. 72 lakhs 21-9-1991 Ticket auctioned at Rs. 55 lakhs"

2. It may be noted that these are prices of Bombay Stock Exchange and not of the Delhi Stock Exchange. So far as the Delhi Stock Exchange is concerned, no data is available and on some conjecture the arguments are advanced before this Court despite the fact that Tribunal has examined the matter on facts and has recorded a finding that in the IT return (typed as WTR incorrectly) the assessed had declared the value of such share at Rs. 2,62,000 which has been accepted by the Revenue. In the opinion of the Court, no question of law is involved. Hence, the appeal is dismissed.