(1991) 07 P&H CK 0030

In the Punjab And Haryana At Chandigarh

Case No : Wealth-tax Reference No''s. 25 to 28 of 1981

Commissioner of Wealth-tax APPELLANT

Vs

Jaidev Inder Singh RESPONDENT

Date of Decision : 17-07-1991

Acts Referred:

Citation : (1991) 07 P&H CK 0030

Hon'ble Judges : S.S. Sodhi, J;K.P. Bhandari, J

Bench : Division Bench

Advocate : A.K. Mittal, for the Appellant; None, for the Respondent

Judgement

S.S. Dodhi, J.—The matter here relates to exemption from additional wealth-tax for the assessment years 1970-71 to 1973-74. The controversy being whether, urban land where agricultural operations are carried on, falls within the definition of "business premises" in terms of Rule l(i), Paragraph B, Part I, of the Schedule to the Wealth-tax Act, 1957, and is thus entitled to exemption from additional wealth-tax payable on urban assets ?

2. The assessee owns 439 kanals and 2 marlas of land in Amritsar, which he claims to cultivate himself. It is in this context that we have been called upon to decide the question posed, namely :

"Whether the Appellate Tribunal is right in law in holding that the assessee''s agricultural lands were covered by the expression ''business premises'' as defined in the Explanation to Paragraph A(c) of Part I of the Schedule of the Wealth-tax Act, 1957, and thus exempt from additional wealth-tax ?"

3. Binding judicial precedents conclude the issue raised. A Division Bench of this court in Commissioner of Wealth-tax Vs. Hari Singh, , held that where agricultural operations are carried on on urban land, the land will fall within the definition of the expression "business premises" as provided in Rule l(i), Paragraph B, Part I, of the Schedule to the Wealth-tax Act, 1957, and would thus be entitled to exemption from the charge of additional wealth-tax on urban

assets, under Paragraph A(2).

4. A similar view was expressed in CWT v. Devinder Kaur [1984] 141 ITR 234 . It may be pointed out here that the SLP filed against this judgment was also dismissed by the Supreme Court, and later, this judgment was followed by the High Court of Kerala adopting the same view in Commissioner of Wealth-tax Vs. Mrs. Sara Varghese, .

5. This reference is, consequently, answered in the affirmative, in favour of the assessee and against the Revenue. There will, however, be no order as to costs.