(2003) 05 AHC CK 0207

In the Allahabad High Court

Case No : Wealth Tax Reference No. 313 of 1982

Commissioner of Wealth-tax APPELLANT

Vs

Kapoor Chand RESPONDENT

Date of Decision : 09-05-2003

Acts Referred:
Wealth Tax Act, 1957 — Section 7
Wealth Tax Rules, 1957 — Rule 1BB

Citation : (2004) 266 ITR 496

Hon'ble Judges : Ghanshyam Dass, J;B.S. Chauhan, J

Bench : Division Bench

Final Decision : Disposed Of

Judgement

1. This reference u/s 27 of the Wealth-tax Act, 1957, has been made by the Tribunal for our decision on the following question :

"Whether the hon''ble Tribunal was correct in law in its finding that rule 1BB of the Wealth-tax Rules, 1957, has not (sic) been made effective from April 1, 1979, was to apply even in respect of pending assessments for orders prior to the assessment year 1979-80 ?"

2. This issue has been considered by the hon''ble Supreme Court in Commissioner of Wealth Tax, Meerut Vs. Sharvan Kumar Swarup and Sons, wherein it has been held that rule 1BB of the Rules 1957, partakes of the character of a rule of evidence. It deems the market value to be the one arrived at on the application of a particular method of valuation which is also one of the recognized and accepted methods. The rule is procedural and not substantive and is applicable to all proceedings pending on April 1, 1979, when the rule came into force.

3. In view of the above, the reference is answered in the affirmative against the Department in favour of the assessee. This reference is disposed of as above.