
(1995) 01 MP CK 0022
In the Madhya Pradesh High Court
Case No : M.C.C. No. 666 of 1985

Commissioner of Wealth Tax

APPELLANT

Vs

Mukesh Kumar Agarwal

RESPONDENT

Date of Decision : 30-01-1995

Acts Referred:

Citation : (1996) 220 ITR 41

Hon'ble Judges : U.L. Bhatt, C.J.;Rajeev Gupta, J

Bench : Division Bench

Advocate : A. Adhikari, for the Appellant; B.L. Nema, for the Respondent

Judgement

U.L. Bhat, C.J.—The following question of law has been referred u/s 27(1) of the Wealth-tax Act, 1957 (for short "the Act") :

" Whether, on the facts and in the circumstances of the case and in terms of Section 2(m)(ii) of the Wealth-tax Act, 1957, the Tribunal was justified in allowing deduction of loan raised against fixed deposit receipt ?"

2. The assessee claimed a sum of Rs. 38,720 as deduction from assets being the amount of loan owed by him to the Bank of India on the security of fixed deposit receipt of Rs. 50,000 belonging to him; He claimed deduction of the loan amount borrowed against the fixed deposit receipt u/s 2(m)(ii) of the Act. This has been allowed.

3. It is admitted that the amount carried in fixed deposit in this case, was exempted. Therefore, there cannot be a further exemption with regard to the amount of loan borrowed on the basis of the fixed deposit receipt mentioned above.

4. We, therefore, answer the question in the negative, i.e., in favour of the Revenue and against the assessee.

5. A copy of this order with the signature of the Registrar and the seal of the High Court be transmitted to the Appellate Tribunal. No order as to costs.