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(1995) 02 RAJ CK 0050

In the Rajasthan High Court

Case No : .W.T. Reference No. 52 of 1987

Commissioner of Wealth-tax — APPELLANT

Vs

Paramhans Ashram Trust — RESPONDENT

Date of Decision : 10-02-1995

Acts Referred:

Income Tax Act, 1961 — Section 11
Wealth Tax Act, 1957 — Section 27(1), 5(1)(i)

Citation : (1995) 02 RAJ CK 0050

Hon'ble Judges : Y.R. Meena, J;V.K. Singhal, J

Bench : Division Bench

Advocate : G.S. Bapna, for the Appellant; None, for the Respondent

Judgement

1. The Tribunal has referred the following question of law arising out of its orders dated July 23, 1985, and September 25, 1980, in respect of the assessment years 1970-71 to 1978-79, u/s 27(1) of the Wealth-tax Act, 1957 :

"Whether, on the facts and in the circumstances of the case, the Tribunal was justified in upholding the decision of the Appellate Assistant Commissioner that the assesses is a public charitable and religious trust and its properties are entitled to exemption u/s 5(1)(i) of the Wealth-tax Act, 1957 ?"

2. The dispute is with regard to the claim of the assessee for exemption from tax, of assets u/s 5(1)(i) of the Wealth-tax Act, in respect of the properties held by the trust. The Wealth-tax Officer found that except for agricultural land valuing Rs. 39,000 the remaining properties of the assessee were not exempt. The matter under the Income Tax Act, 1961, was considered by this court in the case of the assessee Commissioner of Income Tax Vs. Paramhans Ashram Trust, in D. B. I. T. Reference No. 48 of 1982 decided on December 8, 1992, and it was held that the assessee is a charitable trust and entitled for exemption of Income Tax u/s 11 of the Income Tax Act. The provisions of Section 5(1)(i) are for exemption to any property held by a trust which is held for public purpose by a charitable trust of religious nature.

3. Since the assessee has been held to be a public charitable/religious trust, the exemption u/s 5(1)(i) of the Wealth-tax Act is also allowable. Accordingly, we are of the view that the assessee is entitled for the exemption. Accordingly, the reference is answered in favour of the assessee and against the Revenue. No order as to costs.