(2001) 06 MAD CK 0069

In the Madras High Court

Case No : Tax Case No''s. 188 and 189 of 1991 (Reference No''s. 79 and 80 of 1991)

Commissioner of Wealth Tax — APPELLANT

Vs

P.C. Nanjappan — RESPONDENT

Date of Decision : 18-06-2001

Acts Referred:

Citation : (2002) 254 ITR 588 : (2003) 127 TAXMAN 586

Hon'ble Judges : R. Jayasimha Babu, J;A. Subbulakshmy, J

Bench : Division Bench

Advocate : None, for the Appellant; P.P.S. Janardhana Raja, for the Respondent

Judgement

R. Jayasimha Babu, J.—For the assessment year 1982-83, the wealth-tax assessment of the assessee was finalised. The wealth-tax was, as

required by law, levied on his net wealth as on the valuation date. Long thereafter, the property, which had been valued at a lower figure was sold

at a price which was more than the amount for which it had been valued at the time the assessment for the year 1982-83 was made. The attempt

on the part of the Revenue to reopen the assessment and incorporate the price at which the property was subsequently sold as the value of the

property for the earlier assessment year was rightly negatived by the Tribunal. The correctness of that decision has been called into question by the

Revenue in this reference.

2. We do not see any error in the order of the Tribunal. The fact that the property fetched a higher value when it was sold some years after the

assessment for the wealth-tax had been made, is no reason at all to reopen the concluded assessment and to substitute a price which was secured years later, as the value of the property in the earlier period. The wealth-tax is payable on the net wealth for the relevant assessment year, and that

net wealth cannot be regarded as having been much more only because several years after the assessment, the property when sold fetched a higher

price.

3. We, therefore, answer the question referred to us in favour of the assessee, and against the Revenue.

