(1987) 10 AHC CK 0052

In the Allahabad High Court

Case No : W.T. Ref. No. 114 of 1986

COMMISSIONER OF WEALTH TAX — APPELLANT

Vs

RAM NARAIN GARG. — RESPONDENT

Date of Decision : 29-10-1987

Acts Referred:

Citation : (1988) 68 CTR 75

Hon'ble Judges : Om Prakash, J

Bench : Division Bench

Final Decision : Disposed Of

Judgement

Om Prakash, J. :

At the instance of the CWT, Kanpur, as many as 7 References have been made by the Income Tax Appellate Tribunal seeking our opinion on a common question; whether or not reversionary value can be added to the value of the building arrived at rent capitalisation method.

2. Whereas, the WTO was of the view that the reversionary value was to be added, the Tribunal took a contrary view that the reversionary value was not be added.

3. As in all the References, the question referred to this Court is not only similar but identical, we dispose of all the References by a common order.

4. The question whether or not reversionary value is to be added to the value of the building arrived at by having followed the rent capitalisation method, is not res integro. So far as this Court is concerned, a similar question came up for hearing before this Court very recently in Commissioner of Wealth-tax Vs. Ram Saran Kajriwal, and then this Court took the view that the reversionary value will not be added to the value of the building determined on rent capitalisation method.

5. We do not see any good reason to take a contrary view and following the rule

laid down in Ram Saran Kajriwal we uphold the order of the Tribunal which has held that reversionary value will not be added.

6. For the reasons, the identical question referred to us in all the References is decided against the Revenue and in favour of the assessee.

7. Let the records be sent to the Tribunal to pass the order conformably to our judgment.

8. On the facts and circumstances of the case, there would be no order as to costs.

