
(1991) 02 AHC CK 0082
In the Allahabad High Court
Case No : WT Reference No. 1045 of 1978

Commissioner of Wealth Tax

APPELLANT

Vs

Smt. Veena Devi Singhania

RESPONDENT

Date of Decision : 07-02-1991

Acts Referred:

Wealth Tax Act, 1957 — Section 24(6)

Citation : (1991) 58 TAXMAN 196

Hon'ble Judges : B.P. Jeevan Reddy, C.J;R.A. Sharma, J

Bench : Division Bench

Judgement

Reddy, C.J.—u/s 27(3) of the Wealth-tax Act, 1957 ("the Act") the Tribunal has stated the following questions:

"1. Whether, on the facts and in the circumstances of the case, rule 1D of the Wealth-tax Rules, 1957 overrides the provisions of section 24(6) of the Wealth-tax Act, 1957?

2. Whether, on the facts and in the circumstances of the case, it is open to the revenue to rely on rule 1D even though no specific argument was raised before the Tribunal?

3. Whether, on the facts and in the circumstances of the case, the Tribunal was justified in following the valuation as made by the valuers even though their valuation was not based on the statutory method of valuation provided under rule 1D?

4. Whether the valuer to whom the valuation of shares was referred u/s 24(6) of the Act, were in law bound to follow the method of valuation prescribed by rule 1D of the Wealth-tax Rules?"

It is brought to our notice that identical questions, arising in identical circumstances, have been dealt with and answered by a Bench of this Court in CWT v. Pushpawati Devi Singhania [1991] 1 UPTC 9. Following the said judgment

the four questions are answered as follows:

2. The first question is answered by saying that there is no question of rule 1D of the income tax Rules, 1957 overriding section 24(6) of the Act. Both provisions operate in their respective distinct fields. Question No. 2 is answered saying that it is open to the department to rely upon rule 1D in this reference notwithstanding the fact that the rule as such does not appear to have been relied upon before the Tribunal. Question No. 4 is answered by saying that while valuing the unquoted shares the valuers are bound to apply the method prescribed in rule 1D. We decline to answer question No. 3 for the reasons recorded in the said judgment. It cannot also be said that the Tribunal was at fault in acting upon the report of the valuer. The reference is answered accordingly. No costs.