HON'BLE SRI JUSTICE G.CHANDRAIAH

&

HON'BLE SRI JUSTICE CHALLA KODANDA RAM

W.T.A. No. 15 of 2001

O R D E R:- (per Hon'ble Sri Justice Challa Kodanda Ram)

This Appeal under Section 27(A) of the Wealth Tax Act, 1961 arising out of the order of the Tribunal dated 17.09.1999 in W.T.A. No.126/Hyd/96 for the assessment year 1989-90 is at the instance of the Revenue. The following questions of law are raised for the opinion of this Court.

1) Whether, on the facts and in the circumstances of the case, the Tribunal was correct in holding that for the purpose of valuation of the jewellery under Section 7(1) of the Wealth Tax Act, the alleged uncertainties, hazards, risks of litigation, burden of cumulative tax liability etc., should be considered as the factors which would go to reduce the estimated market value?
2) Whether on the facts and in the circumstances of the case, the Tribunal was justified in ignoring the position that the concept of a notional open market would preclude the assumption of any restrictions on the sale of the asset in that notional open market?
3) Whether, on the facts and in the circumstances of the case, the Tribunal was correct in law in allowing the exemption under Section 5(1)(xii) of the Wealth Tax Act in respect of 7 items of jewellery, claimed to represent art treasure?"

The Tribunal, while passing the order, followed its earlier judgment in **Wealth-Tax Officer vs. Trustees of Heh The Nizam's**[1] and held the case in favour of the assessee. On scrutiny of the case, we find that question

Nos.1 and 2 are covered in favour of the assessee by virtue of the order dated 10.12.2013 passed by this Court in R.C.No. 172 of 1996. Likewise, question No.3 is also covered in favour of the assessee in view of the judgment of this Court reported in **Commissioner of Wealth Tax v S.B.Zainab Noorul Sayeeda and Others**[2]

In the light of the decision taken by this Court in the above referred judgments, all the three proposed questions of law are required to be answered in favour of the assessee. Hence, we answer the questions against the Revenue and in favour of the assessee.

Accordingly, the Appeal is dismissed. No order as to costs.

As a sequel to the dismissal of the Appeal, Miscellaneous Petitions, if any pending, shall stand disposed of as infructuous.

G. CHANDRAIAH, J

23.01.2014

CHALLA KODANDA RAM,J

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[1] 1990 35 ITD 402

[2] 262 ITR 306