IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO. 2042 OF 2013

The Commissioner of Income Tax-19 ..Appellant
Vs.
Mrs. Laxmu S. Nayampally ..Respondent

....

Mr. A.R. Malhotra a/w N.A. Kazi, Advocates for Appellant.
None for Respondent.

....

CORAM : M.S. SANKLECHA &
G.S. KULKARNI, JJ.
DATED : 27 OCTOBER 2015

P.C.:

This appeal under Section 260A of the Income Tax Act, 1961 (the 'Act') challenges the order dated 15 January 2013 passed by the Income Tax Appellate Tribunal (the 'Tribunal'). The Assessment Year involved is A.Y. 2007-08.

2. The revenue urges following question of law for our consideration:

> "Whether on the facts and circumstance of the case and in law, the Tribunal was justified in upholding the order of the CIT(A) dated 30.08.2011 wherein the CIT(A) directed the A.O. to adopt the cost inflation

index base year as on 01.04.1981 despite the assessee actually became legal and real owner of the property in A.Y. 1994-95?”

3. The impugned order of the Tribunal has followed/applied the decision of this Court in ***CIT Vs. Manjula Shah***[1] to hold that the cost of acquisition of property acquired on inheritance would be the cost of acquisition to the previous owner and further where the acquisition of property is prior to 1 April 1981 (as in this case) it would be the fair market value as on 1 April 1981. Thus on application of the decision of this Court in Manjula Shah(supra), the impugned order dismissed the revenue's appeal holding that the fair market value as on 1 April 1981 has to be adopted for the purposes of computing the cost, with the support of cost inflation index.

4. In view of the above, the proposed question does not give rise to a substantial question of law arises for our consideration. Accordingly not entertained.

5. Appeal dismissed. No order as to costs.

[G.S. KULKARNI, J] **[M.S. SANKLECHA, J.]**

1. 355 ITR 474