IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

WTC-16-1989 (O&M)
Date of Decision: 22.03.2024

The Commissioner of Wealth Tax, Haryana, Rohtak . . . . Appellant

Vs.

Sh. Kulbhushan Jain, Hisar . . . . Respondent

CORAM: HON'BLE MR. JUSTICE SANJEEV PRAKASH SHARMA
HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. Amanpreet Singh, Advocate
For the petitioner.

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SANJEEV PRAKASH SHARMA, J.(Oral)

There is a copy of the documents which have been placed before this Court in relation to the present case, reflects that the total wealth as inspected in the assessment years 1980-81 from the assessment years 1974-1975, as per the valuation report, comes to Rs.5,56,677/- and the assessee's share is Rs.1,11,334/-. The penalty notices were issued on 30.01.1986. The assessee is partner in the firm M/s Haryana Iron and Steel Rolling Mills, Hisar and this firm owns a factory building. Accordingly, the share of the assessee was assessed. This Court notices that the possession of the property was taken over by the Government on 24.05.1980. The Income Tax Appellate Tribunal Delhi Bench, Delhi examined the appeal preferred by the Revenue Commissioner of Wealth Tax Haryana, Rohtak, who referred the matter for opinion of this Court, which reads as under:-

1. *Whether on the facts and in the circumstances of the case, the ITAT while adopting the fair market value of the agrl. Land acquired by the Govt. is right in law in ignoring the order of the Hon'ble High Court awarding addl. Compensation?*

2. *Whether on the facts and in the circumstances of the case, the Tribunal is right in law in holding that the market value of the assessee's 1/4th share in agrl. Land measuring 17K 14M amd 33K 3M should be adopted at the rate of Rs.10/- per sq yd which was the compensation awarded by the Addl. District Judge on 22.08.1978 on an appeal filed by the assessee against award of the compensation made by the Collector vide order dated 5.9.1973 as against Rs.23/- per sq yards being compensation awarded by the Hon'ble High Court?*
3. *Whether on the facts and in the circumstances of the case, the Tribunal is right in law in holding that the value of the both the lands should be the same?"*

After considering the above questions, which were referred to the Tribunal, it reached to the conclusion that the assessee's assets consisted of the land and not of the right to receive compensation and therefore, the valuation of the land for the concerned relevant years from 1976 up to 1981 did not arise, as the land was taken over for possession in the year 1980-81 i.e 20.10.1979. However, the department did not accept the order of ITAT and has filed the present petition under Section 27 (3) of the Wealth Tax Act on the same questions as above.

We are unable to accept the contentions as raised by the department, in view of the fact that the question regarding compensation did not arise, till the land was taken over up to 1980-81. Accordingly, we reject the present appeal.

[SANJEEV PRAKASH SHARMA]
JUDGE

[SUDEEPTI SHARMA]
JUDGE

March 22, 2024
G Arora