

Method adopted for computing value of property under Income-tax Act & Wealth Tax Act should be same

Summary – The High Court of Madras in a recent case of K.E.M.I. Kwaja Mohideen, (the Assessee) held that method adopted for computing value of property under Income-tax Act & Wealth Tax Act should be same

Facts

- The computed capital gains on the property sold by it. The AO did not accept the assessee's calculation on the basis of the valuation of the other neighbourhood properties and determined the value of property as proposed and completed the assessment.
- On appeal, before the Commissioner (Appeals) the assessee stated that it had sold a heritage property and determined the value. This valuation was different from the value adopted by the assessee in the Wealth Tax assessment. The Commissioner (Appeals) allowed the assessee's appeal.
- On appeal, the Tribunal held that the assessee for the purpose of valuation under the Wealth Tax Act had adopted a certain value and there was no going back on the said valuation.
- On the assessee's appeal to the High Court:

Held

- The HC held that the assessee has himself accepted that the valuation of the property, as adopted by him, in the Wealth tax assessment may be taken into consideration. However, to the said extent the Assessing Officer did not grant relief.
- The assessee could not have been taken two different values, *i.e.*, one valuation is under the Wealth tax assessment and another is under Income tax Act. Therefore to that extent, the assessee is entitled to relief.
- For the above reasons, the appeal is partly allowed and the matter is remanded to the Assessing Officer.