

Commissioner of Income Tax, Bombay

Vs

M/S. Bennet Coleman and Co. Ltd.

Civil Appeals Nos. 376 to 378 (NT) of 1977

(Pathak, J.)

21.10.1983

JUDGMENT

PATHAK, J. -

1. These appeals by the Commissioner of Income Tax, Bombay are directed against the judgment of the Bombay High Court disposing of a reference and answering the following two questions against the Revenue :

(1) Whether wealth tax liability for the assessment year 1959-60 was allowable as a deduction in determining the net wealth of the company for the assessment year 1959-60 ?

(2) Whether, on the facts and in the circumstances of the case, the amount of wealth tax liability relating to the assessment years in respect of which the assessments had not been finalised on the valuation date, which is to be allowed as a deduction in the computation of the net wealth, should be the wealth tax liability on the undisputed portion of the total wealth of the assessee as finally ascertained on completion of the assessments for those years after the valuation date, and not the wealth tax liability estimated with reference to the total net wealth declared by the assessee in its return of wealth for those years ?

2. After hearing learned counsel, we are of opinion that the High Court is right and that the questions must be answered in favour of the assessee and against the Revenue. In view of the decision of this Court in *H. H. Setu Parvati Bayi v. C.W.T.* [(1968) 69 ITR 864 : 1968 KLT 121], the first question is answered in the affirmative. And in the view taken by us in *C.W.T. v. Shri Vadilal Lallubhai* [(1983) 4 SCC 697], in which judgment has been delivered today, the second question must also be answered in the affirmative.

3. In the result, the appeals are dismissed, but there is no order as to costs.

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