

Company: Sol Infotech Pvt. Ltd.

Website: www.courtkutchehry.com

Printed For:

Date: 21/10/2025

Commissioner of Wealth Tax Vs Mukesh Kumar Agarwal

M.C.C. No. 666 of 1985

Court: Madhya Pradesh High Court

Date of Decision: Jan. 30, 1995

Citation: (1996) 220 ITR 41

Hon'ble Judges: U.L. Bhatt, C.J; Rajeev Gupta, J

Bench: Division Bench

Advocate: A. Adhikari, for the Appellant; B.L. Nema, for the Respondent

Judgement

U.L. Bhat, C.J.

The following question of law has been referred u/s 27(1) of the Wealth-tax Act, 1957 (for short ""the Act""):

Whether, on the facts and in the circumstances of the case and in terms of Section 2(m)(ii) of the Wealth-tax Act, 1957, the Tribunal was justified

in allowing deduction of loan raised against fixed deposit receipt?

2. The assessee claimed a sum of Rs. 38,720 as deduction from assets being the amount of loan owed by him to the Bank of India on the security

of fixed deposit receipt of Rs. 50,000 belonging to him; He claimed deduction of the loan amount borrowed against the fixed deposit receipt u/s

2(m)(ii) of the Act. This has been allowed.

3. It is admitted that the amount carried in fixed deposit in this case, was exempted. Therefore, there cannot be a further exemption with regard to

the amount of loan borrowed on the basis of the fixed deposit receipt mentioned above.

- 4. We, therefore, answer the question in the negative, i.e., in favour of the Revenue and against the assessee.
- 5. A copy of this order with the signature of the Registrar and the seal of the High Court be transmitted to the Appellate Tribunal. No order as to

costs.