

(1988) 12 MP CK 0012

Madhya Pradesh High Court

Case No: Miscellaneous Civil Case No. 445 of 1984

Commissioner of
Income Tax

APPELLANT

Vs

Bharatchandra
Bhanjdev

RESPONDENT

Date of Decision: Dec. 8, 1988

Acts Referred:

- Income Tax Act, 1961 - Section 10(19A)

Citation: (1989) 176 ITR 380

Hon'ble Judges: G.G. Sohani, Acting C.J.; K.M. Agarwal, J

Bench: Division Bench

Advocate: B.K. Rawat, for the Appellant; B.L. Nema, for the Respondent

Judgement

G.G. Sohani, Actg. C.J.

1. By this reference u/s 256(1) of the Income Tax Act, 1961 (hereinafter referred to as "the Act"), the Income Tax Appellate Tribunal, Nagpur Bench, has referred the following question of law to this court for its opinion :

"Whether, on the facts and in the circumstances of the case, the Tribunal was justified in holding that the entire income from the palace of the assessee who is the former Ruler of Bastar is exempt from Income Tax ?"

2. The material facts giving rise to this reference, briefly, are as follows : The assessee is an ex-Ruler of Bastar. In the course of the assessment proceedings for the assessment year 1977-78, the assessee contended that his palace at Jagdalpur was recognised as official residence and that its rental value was, therefore, exempt under the Act. This contention was rejected by the Income Tax Officer. The appeal preferred by the asscssee before the Appellate Assistant Commissioner was dismissed. The second appeal preferred by the asscssee before the Tribunal was,

however, allowed. Aggrieved by the order passed by the Tribunal, the Revenue sought reference and it is at the instance of the Revenue that the aforesaid question of law has been referred to this court for its opinion.

3. At the time of hearing, learned counsel for the Revenue conceded that the matter arising in this case was covered by the decision of this court in [Commissioner of Income Tax Vs. Bharatchandra Banjdeo](#), . In that case, dealing with the case of the assessee arising out of his assessment for the assessment years 1975-76 and 1976-77, it was held that the Tribunal was justified in law in holding that the entire income from the palace of the asses-see, the former Ruler of Bastar, was exempt from Income Tax. We see no cogent reason to take a view different from that taken by this court in [Commissioner of Income Tax Vs. Bharatchandra Banjdeo](#), . Following that decision, therefore, the Tribunal, in our opinion, was justified in holding that the entire income from the palace of the assessee was exempt from Income Tax.

4. Our answer to the aforesaid question of law is, therefore, in the affirmative and against the Revenue. In the circumstances of the case, parties shall bear their own costs of this reference.