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\* IN THE HIGH COURT OF DELHI AT NEW DELHI

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WTA 3/2015

PRO COMMISSIONER OF INCOME TAX  
(CENTRAL)-I

..... Petitioner

Through: Mr. Kamal Sawhney, Senior Standing  
Counsel with Mr. Raghvender Singh, Junior  
Standing counsel and Mr. Shikhar Garg, Advocate.

versus

R.J. CORP LTD.,

..... Respondent

Through: Mr. Satyen Sethi, Advocate with  
Mr. Arta Trana Panda, Advocate.**CORAM:****HON'BLE DR. JUSTICE S.MURALIDHAR****HON'BLE MR. JUSTICE VIBHU BAKHRU****ORDER**

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**25.08.2015**

1. This appeal by the Revenue under Section 27A of the Wealth Tax Act, 1957 ('WT Act') is directed against the order dated 1<sup>st</sup> September 2014 passed by the Income Tax Appellate Tribunal ('ITAT') in WTA No. 15/Del/2012 for the Assessment Year (AY) 2004-05.

2. The brief facts are that the Assessing Officer ('AO') made addition of Rs.4,31,27,216 to the returned wealth of the Respondent Assessee being the value of urban land at Gurgaon acquired by the Assessee for the purposes of



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construction of a commercial complex.

3. The land in question was acquired by the Assessee on 19<sup>th</sup> January 2004. The building plans were sanctioned on 8<sup>th</sup> June 2004 and a sum of Rs.6,31,36,973 was incurred up to 31<sup>st</sup> March 2005 on construction of the building. Under Section 2 (ea) (v) of the WT Act 'asset' includes 'urban land'. However, in terms of Explanation I (b) 'urban land' does not include unused land held by the Assessee for industrial purposes for a period of two years from the date of its acquisition by him. In other words, only where the Assessee continues to hold the unused land for industrial purposes for a period beyond two years after its acquisition, would it be considered as an asset for the purposes of Section 2(ea) of the Act.

4. The question, therefore, in the present case is whether, in the AY 2004-05, the Assessee continued to hold the land unused for a period beyond two years from the date of its acquisition?

5. The ITAT was of the view that, on the facts of the present case, the land held by the Assessee did not qualify as an asset within the meaning of Section 2(ea) (v) of the WT Act and the value of such land ought to be



deleted from the computation of wealth. Considering that the land was acquired on 19<sup>th</sup> January 2004 and construction thereon began after the building plans were sanctioned on 8<sup>th</sup> June 2004, and a sum of Rs.6,31,36,973 was incurred up to 31<sup>st</sup> March 2005, it is evident that the Assessee did not continue holding the land unused for more than two years from the date of its acquisition. It, therefore, stood excluded from the definition of an 'asset' under Section 2 (ea) (v) read with Explanation 1 (b) of the WT Act.

6. No substantial question of law arises in the facts and circumstances of the present case. Consequently, the appeal is dismissed.

A handwritten signature in black ink, appearing to be 'S. Muralidhar'.

**S.MURALIDHAR, J**

A handwritten signature in black ink, appearing to be 'Vibhu Bakhru'.

**VIBHU BAKHRU, J**

**AUGUST 25, 2015**  
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