

" Proceedings of the Asst. Controller of Estate Duty,  
P-13, Chowringhee Square, Calcutta-1."

Present :- Shri S. R. Das, Asst. Controller of  
Estate Duty, C-Ward, Cal.

File No. EDC-C/335-c/

Dated, Calcutta, the 31st March, 1964.

Name & address of the  
deceased .. Late Nripendra Kumar Chakraborty,  
4/A, Lake Range, Calcutta.

Date of death .. 2.1.63

Domicile .. India.

Name & address of the  
accountable person .. Mrs. Prativa Chakravarty,  
4/A, Lake Range, Calcutta-26.

Sec. or sub-section under  
which assessment is made.. 58(3).

ORDER

The deceased died intestate leaving his wife and 2 sons. The normal jurisdiction over the estate duty case was in Estate Duty-cum-Income-tax Circle, Ranchi by order F. No. 21/33/63-ED dated 18.4.63. The Board has transferred the case from the Estate Duty circle, Ranchi to Estate Duty-cum-Income-tax Circle, Calcutta. A return in form ED-1 duly sworn was filed on 2.7.63 showing the net principal value of the estate at Rs. 80,153/- only. In response to a notice u/s.58(2) of the Act the eldest son Mr. A. K. Chakravarti appeared with evidence which were examined. Further evidence as called for from time to time were produced and examined. The net principal value of the estate and the duty payable thereon are assessed u/s.58(3) as below:-

Free Estate (Moveables):

1. Ty. Savings Deposit Certificates. Rs. 20,000/-

2. Cash in hand. Rs. 25/-

3. Money in banks:

(a) Special S.B.A/c.407 in  
United Bank of India Ltd.  
(Hazra Rd. Branch) Rs. 21,474/-  
(b) S.B.No.7211 Jt. with wife  
in Bank of India, Jamshedpur. Rs. 3,797/-  
(c) S.B.A/c.No.9041A, Jointly  
with wife in State Bank of India. Rs. 2,176/-

Rs. 27,447/-

4. Insurance policy nominated to wife. Rs. 11,230/-

5. Household goods - estimated at Rs. 3,000/-  
Less: Exempted Rs. 2,500/-

Rs. 500/-

6. Jewellery, Watch etc. Rs. 200/-

7. Motor car ( Standard Vanguard  
3rd hand). Purchased in 1957 at  
Rs. 9,000/-. Value ~~on the~~ on the  
date of death is estimated at

Rs. 6,000/-

C/D. Rs. 65,402/-

7. Rent due for 2 days Jan'63 @ 800/- p.m. for 4, Circuit HouseArea, Jamshedpur	Rs. 152/-
8. Money due from Kalinga Industries Ltd.	Rs. 1,990/-
	Rs. 67,444/-
Less: Funeral Expenses-	Rs. 1,000/-
<del>from above</del> - <sup>Net</sup> Gross Movables-	Rs. 66,444/-

Property passing under other titles. (U/S.10)

While constructing the building on her land at 4A, Lake Range, Calcutta, the wife of the deceased took a loan of Rs.15,000/- by mortgaging 4A, Lake Range to Calcutta Insurance Co.Ltd. The mortgage/lease by the Insurance company on 28.1.1933. The mortgage debt with interest amounted to Rs.16,023/- was paid to the company by the wife partly out of rental income from the property and about Rs.12,500/- was paid from the proceeds of two insurance ~~life~~ policies taken by the deceased and assigned to the company. The lease was taken in 1939. It is therefore clear that the wife's debt to the extent of Rs.12,500/- was extinguished at the expense of the deceased. Such extinguishment of a debt at the expense of the deceased is a dis-position made by the deceased within the explanation 2(15) of the Act and in relation to such a dis-position the property is the benefit conferred by the extinguishment of the debt i.e. 12,500/-. Although the debt was extinguished in 1953, the debt in connection with the property at 4A, Lake Range where the deceased was staying for ~~about~~ a few months till his death and as such the provision of Sec.10 will apply. The sum of Rs.12,500/- is therefore included u/s.10 of the Act.

Rs. 12,500/-

The net movables thus comes to Rs.78,944/-.

Immovables:

4, Circuit HouseArea, Jamshedpur. The land belongs to the Tata Iron and Steel Company Limited. The deceased took the land on lease w.e.f. 1.6.40 for a period of 30 yrs. which was subject to extension for a further period of 30 years and again for another period of 30 years with certain conditions and increased in the ground rent. At the time of death therefore the ~~expired~~ period of the lease was about 67<sup>1/2</sup> months (i.e. 7Yrs.5 months + 30 + 30 ).

The valuation of the building as per Chief Town Administrator, The Tata Iron and Steel Company, Limited was Rs.20,200/- only. It has however been ascertained on enquiry that the company does not interfere with the sale price while transferring any property but transfers are limited within a certain group of employees of the Tata Iron and Steel Company, Limited. The property of land had been let out at Rs.800/- per month. It was stated that the rent was excessive and might not be maintained in future years. Gross rent comes to Rs.9,600/- per annum. After deducting the out goings the net rent is taken as Rs.7480/-. Considering the rent ~~will be~~ a bit high the normal rate on capital is considered at 8% in this ~~case~~ case.

## 3.

Capitalising the above net rent at 8% with  
redemption of capital at 3% ~~per~~ for 7 years  
the valuation comes to Rs. 7480/- x 11.74 i.e.  
Rs. 87,815/-. Considering the restriction on  
transfer and various conditions of the lease  
the fair market price as on the date of death  
is taken at Rs. 65,000/-

Now to sum up:-

Movables - Rs. 78,944/-  
Immovables - Rs. 65,000/-

Rs. 1,43,944/-

The net principal of the estate thus comes to Rs. 1,43,944/-

Sd/- ( S.R.Das )  
Assistant Controller,  
Estate Duty cum Income-tax  
Circle, Calcutta.

Calculation of duty:

Duty on the 1st	Rs. 50,000/-	Nil.
" " " next	Rs. 50,000/- @ 4%	Rs. 2,000/-
" " " "	Rs. 43,944/- @ 6%	Rs. 2,636.64 nP.
		<u>Rs. 4,636.64 nP.</u>

Average rate : 3.22%

Less: Rebate on L.I.P.	
5000/- @ 3.22%	Rs. 161.400 "
Estate Duty payable	Rs. 4,475.64 nP.
Less: Duty paid u/s. 57(1)	Rs. 1,130.92 "
Net Duty now payable	<u>Rs. 3,344.72 nP.</u>

Issue Demand Notice, Challan, ED-8 & Certified copy  
of the order.

Sd/- ( S.R.Das )  
Assistant Controller,  
Estate Duty cum Income-tax  
Circle, Calcutta.

db: Certified copy  
*(Signature)*  
( S.R.Das )  
Assistant Controller,  
Estate Duty cum I.Tax Circle,  
Calcutta.