

**This exercise may be a preliminary guidance to the beginners
who wish to appear for Registered valuers Examination**



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LET US KNOW THE SUBJECT

EXERCISE - 6

51. The difference between one honest valuation and another may range upto 15%
- a) Gold Coast Trust Ltd. vs Humphray (1949) 17 ITR 19
 - b) K.P. Varghese vs ITO (1981) 131 ITR 597 (SC)
 - c) Rustam C Cooper vs Union of India AIR 1970 SC 564
 - d) Hays Will Trust vs Hays and Others (1971) 1 WLR 758
52. Valuation is not an exact science. Mathematical certainly is not demanded, not indeed is it possible.
- a) K.P. Varghese vs ITO (1981) 131 ITR 597 (SC)
 - b) Gold Coast Trust Ltd. vs Humphray (1949) 17 ITR 19
 - c) Rustam C Cooper vs Union of India AIR 1970 SC 564
 - d) Hays Will Trust vs Hays and Others (1971) 1 WLR 758
53. Property includes ownership, estates and interests in corporeal things and also rights such as trademarks, copyrights, patents.
- a) K.P. Varghese vs ITO (1981) 131 ITR 597 (SC)
 - b) Rustam C Cooper vs Union of India AIR 1970 SC 564
 - c) Gold Coast Trust Ltd. vs Humphray (1949) 17 ITR 19
 - d) Hays Will Trust vs Hays and Others (1971) 1 WLR 758
54. If there are more than one valuation of the same property, the one which is reasonable and nearer to the correct market value, having due regard to all the relevant facts and circumstances of the case alone should be accepted.
- a) Subh Karan Choudhury vs IAC (1979) 118 ITR 777 Kolkatta HC (Special Value / FMV)
 - b) V.C. Ramchandran vs CWT (1979) 126 ITR 157 Karnataka HC
 - c) Wenger & Co. vs DVO (1978) 115 ITR 648 Delhi HC (Combination of Methods)
 - d) Sorab Talati vs Josheph Michem Appeal 101 of 1949 - Vol.- 2 of SOC - page 162 (Bombay) (Invest Theory of Rent)

55. Valuation of fully tenanted property should be made on the basis of capitalisation of rental method.
- a) V.C. Ramchandran vs CWT (1979) 126 ITR 157 Karnataka HC
 - b) Subh Karan Choudhury vs IAC (1979) 118 ITR 777 Kolkatta HC (Special Value / FMV)
 - c) Wenger & Co. vs DVO (1978) 115 ITR 648 Delhi HC (Combination of Methods)
 - d) Sorab Talati vs Josheph Michem Appeal 101 of 1949 - Vol.- 2 of SOC - page 162 (Bombay) (Invest Theory of Rent)
56. For owner occupied portion, the District valuation officer calculated the value on the basis of what were the rates prevalent for sale of commercial flats in cannaught place. For the tenanted portion, he capitalised the rental value. The method adopted by him is acceptable.
- a) V.C. Ramchandran vs CWT (1979) 126 ITR 157 Karnataka HC
 - b) Wenger & Co. vs DVO (1978) 115 ITR 648 Delhi HC (Combination of Methods)
 - c) Subh Karan Choudhury vs IAC (1979) 118 ITR 777 Kolkatta HC (Special Value / FMV)
 - d) Sorab Talati vs Josheph Michem Appeal 101 of 1949 - Vol.- 2 of SOC - page 162 (Bombay) (Invest Theory of Rent)
57. In this case, the court approved of investment theory in preference to comparable rent theory to fix standard rent of the rent controlled premises. The court considered return or yield from Gilt Edged security as the basis.
- a) V.C. Ramchandran vs CWT (1979) 126 ITR 157 Karnataka HC
 - b) Sorab Talati vs Josheph Michem Appeal 101 of 1949 - Vol.- 2 of SOC - page 162 (Bombay) (Invest Theory of Rent)
 - c) Wenger & Co. vs DVO (1978) 115 ITR 648 Delhi HC (Combination of Methods)
 - d) Subh Karan Choudhury vs IAC (1979) 118 ITR 777 Kolkatta HC (Special Value / FMV)
58. Value fetched by sale of small extent land cannot be adopted for large extent land. Loss of land for road, and park, expenses for development should be deducted.
- a) CWT vs P.N. Sikand (1977) 107 ITR 922 SC

- b) SLAO (Eluru) vs Jasti Rohini (1995) 1 SCC 717 SC
- c) Shubh Ram and Others vs State of Haryana (2010) 1 SCC 444
- d) Jawaji Nagnathan vs REV. DIV. Officer (1994) SCC - 4 Page 595 SC

59. Basic valuation register for the purpose of collecting stamp duty cannot form a foundation to determine the market value

- a) CWT vs P.N. Sikand (1977) 107 ITR 922 SC
- b) Jawaji Nagnathan vs REV. DIV. Officer (1994) SCC - 4 Page 595 SC
- c) Shubh Ram and Others vs State of Haryana (2010) 1 SCC 444
- d) SLAO (Eluru) vs Jasti Rohini (1995) 1 SCC 717 SC

60. The developer who undertakes the development (of a layout) and invests money for development would also expect a reasonable profit when the plots are sold. All these expenditure and factors are standardized into 33% deduction towards expenses of development

- a) CWT vs P.N. Sikand (1977) 107 ITR 922 SC
- b) Shubh Ram and Others vs State of Haryana (2010) 1 SCC 444
- c) SLAO (Eluru) vs Jasti Rohini (1995) 1 SCC 717 SC
- d) Jawaji Nagnathan vs REV. DIV. Officer (1994) SCC - 4 Page 595 SC

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(Thanks : All the details of the above judgements are taken from the book “Elements of valuation of immovable properties” - R.K. Gandhi).

LET KNOWLEDGE SPREAD