

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई

IN THE INCOME TAX APPELLATE TRIBUNAL

'A' BENCH, CHENNAI

श्री एन.आर.एस. गणेशन, न्यायिक सदस्य एवं श्री एस जयरामन, लेखा सदस्य केसमक्ष

BEFORE SHRI N.R.S. GANESAN, JUDICIAL MEMBER AND  
SHRI S. JAYARAMAN, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.985/Chny/2018

निर्धारण वर्ष / Assessment Year : 2013-14

Smt. Leelavathi Ravindranathan,  
Old No.135, New No.301,  
2<sup>nd</sup> floor, Bharathi Salai,  
Pycrofts Road, Royapettah,  
Chennai - 600 014.

v. The Income Tax Officer,  
Non Corporate Ward - 11(5),  
Chennai - 600 006.

PAN : AZNPR 6306 G

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri K. Balasubramanian, Advocate

प्रत्यर्थी की ओर से/Respondent by : Shri AR.V. Sreenivasan, JCIT

सुनवाई की तारीख/Date of Hearing : 20.08.2018

घोषणा की तारीख/Date of Pronouncement : 01.11.2018

### **आदेश / O R D E R**

**PER N.R.S. GANESAN, JUDICIAL MEMBER:**

This appeal of the assessee is directed against the order of the Commissioner of Income Tax (Appeals) -13, Chennai, dated 05.01.2018 and pertains to assessment year 2013-14.

2. Shri K. Balasubramanian, the Ld.counsel for the assessee, submitted that the assessee entered into an agreement for sale.

According to the Ld. counsel, there are 14 co-owners and the assessee is one among them. The issue arises for consideration is computation of capital gain under Section 50C of the Income-tax Act, 1961 (in short 'the Act'). According to the Ld. counsel, for the purpose of computation of capital gain under Section 50C of the Act, the guideline value fixed by the State Government for collecting the stamp duty on the date of agreement has to be considered. A similar view was taken by this Tribunal in one of the co-owner's case in Shri M.C. Rajendran v. ITO in I.T.A. No.2022/Mds.2017 dated 01.11.2017.

3. We heard Shri AR.V. Sreenivasan, the Ld. Departmental Representative also. The issue arises for consideration is that for determination of fair market value, whether guideline value on the date of agreement is to be taken into consideration or date of execution of sale deed? This issue was examined by this Tribunal in Upendra Maheshwari v. ITO in I.T.A. No.1900/Mds/2016 dated 05.01.2017. This Tribunal, in fact, found that the guideline value on the date of entering into agreement for sale has to be considered for the purpose of determination of fair market value under Section 50C of the Act. This decision of the Tribunal in Upendra Maheshwari

(supra) was subsequently followed in M.C. Rajendran, one of the co-owners of the very same property. In view of the above, this Tribunal is of the considered opinion that the guideline value on the date of execution of agreement for sale has to be taken into consideration for the purpose of computing fair market value under Section 50C of the Act. Accordingly, the orders of both the authorities below are set aside and the Assessing Officer is directed to compute fair market value under Section 50C of the Act on the date of execution of agreement.

4. In the result, the appeal filed by the assessee is allowed.

Order pronounced in the court on 1<sup>st</sup> November, 2018 at Chennai.

sd/-

(एस जयरामन)

(S. Jayaraman)

लेखा सदस्य/Accountant Member

चेन्नई/Chennai,

दिनांक/Dated, the 1<sup>st</sup> November, 2018.

Kri.

sd/-

(एन.आर.एस. गणेशन)

(N.R.S. Ganesan)

न्यायिक सदस्य/Judicial Member

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त (अपील)/CIT(A)-13, Chennai
4. Principal CIT-8, Chennai-34
5. विभागीय प्रतिनिधि/DR
6. गार्ड फाईल/GF.