

IN THE INCOME TAX APPELLATE TRIBUNAL  
“C” BENCH : BANGALORE

BEFORE SHRI N.V. VASUDEVAN, VICE PRESIDENT  
AND SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER

ITA No.738/Bang/2020
Assessment year : 2014-15

The Income Tax Officer, Ward 6(3)(1), Bengaluru.	Vs.	Sri Vidyaranya Pujar, Sai Geethanjali, 3 <sup>rd</sup> Cross . Mathikere, Bengaluru – 560 054. <b>PAN: ALZPP 2890F</b>
APPELLANT		RESPONDENT

Appellant by	:	None
Respondent by	:	None

Date of hearing	:	05.07.2021
Date of Pronouncement	:	05.07.2021

**ORDER**

*Per Chandra Poojari, Accountant Member*

This appeal by the revenue is directed against the order of CIT(Appeals)-13, Bengaluru dated 31.01.2020 for the assessment year 2014-15.

2. The revenue has raised the following grounds:-

“1. The order of the Learned CIT (Appeals), in so far as it is prejudicial to the interest of revenue, is opposed to law and the facts and circumstances of the case.

2. In view of the facts and circumstances of the case and in law, the Ld CIT- A has erred in ignoring the fact that the asset was transferred to the assessee by a way of gift deed executed by

his parents during the FY 2007-08, whereas the assessee has introduced the said property in to his books of account during the FY 2013-14 only.

3. In view of the facts and circumstances of the case and in law, the Ld CIT- A has erred in deleting the addition of Rs. 5,93,58,000/- made u/s 69 of the IT Act ignoring the fact that the fixed asset valued at Rs. 5,93,58,000/- was brought in to the books of accounts during the FY relevant to AY 2014-15 for the first time without any explanation for the sources for acquisition during the relevant AY 2014-15.

4. In view of the facts and circumstances of the case and in law, the Ld CIT- A has erred in accepting the assessee's contention that even if the appellant had ownership over the property prior to the AY 2013-14 but had no Income, he was not obliged to file his return of income and or capital account when assessee has not furnished any evidence in support of the contention that he had no taxable income during the earlier years.

5. In view of the facts and circumstances of the case and in law, the Ld CIT- A has erred in taking the value of the property declared by the assessee when the AO has clearly stated that the assessee could not furnish any proof/ evidence regarding the original value of the property.

6. For these and such other grounds that may be urged at the time of hearing, it is humbly prayed that the order of the Ld. CIT (A) be reversed and that of the Assessing Officer be restored.

7. The appellant craves leave to add, to alter, to amend or delete any of the grounds that may be urged at the time of hearing of appeal.”

3. None appeared for the assessee or the department. We proceed to decide the appeal after going through the record and orders of the lower authorities.

4. The brief facts of the case are that during the course of assessment it was found that during the assessee had introduced a capital of

Rs.5,93,58,500 to his capital account and shown it as fixed assets in the form of immovable property in the capital account. According to the AO, the assessee has not given any satisfactory explanation and hence the same was treated as unexplained investment u/s. 69 of the Income-tax Act, 1961 [the Act].

5. On appeal, the CIT(Appeals) deleted the addition observing that the assessee received the property from his parents in the year 2007-08 vide Gift Deed executed on 16.6.2007. The impugned property is situated in north block bearing No.106, Satya Greens, Thindlu, Vidyanarayanapura Post, Bangalore – 97. The CIT(A) observed that the property was owned by assessee prior to AY 2013-14, but had no income. Accordingly the assessee not filing return of income and capital account cannot be considered as default on the part of assessee and assessee was not required to file return of income and capital account or the wealth tax return for the earlier year. Further the address of the property mentioned by the AO in his order does not match with the Gift Deed. The property was indeed transferred by the assessee's parents to the assessee in the FY 2007-08 and the said property was ancestral property which was given by Will to the assessee's maternal grand mother in 1947 and later gifted to the assessee's mother in 1980. Valuation of the property has been done in the FY 2013-14 and the assessee accepted that it is a case of revaluation of property, however the valuation of property would not result in taxation of property in the hands of assessee and the value shown by the assessee cannot be considered as unexplained investment u/s. 69 of the Act, which relates to whether the assessee has made investment which was not recorded in the books of account. In the present case, the assessee shown it in his capital account which would not attract section 69 of the Act. More so, the CIT(A) observed that assessee received the property vide Gift Deed from his close relative being a parent which is exempt u/s.

56(2)(vii) of the Act. After going through the facts of the case, we are of the opinion that the CIT(Appeals) has taken correct view of the facts and circumstances of the case and we do not find any infirmity in the findings of the CIT(Appeals). The same is confirmed.

6. In the result, the appeal by the revenue is dismissed.

Pronounced in the open court on this 05<sup>th</sup> day of July, 2021.

Sd/-  
( N V VASUDEVAN )  
VICE PRESIDENT

Sd/-  
( CHANDRA POOJARI )  
ACCOUNTANT MEMBER

Bangalore,  
Dated, the 05<sup>th</sup> July, 2021.

*/Desai S Murthy /*

Copy to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar  
ITAT, Bangalore.