

आयकर अपीलिय अधिकरण, 'सी' (एस एम सी) न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL**

'C' (SMC) BENCH, CHENNAI  
श्री महावीर सिंह, उपाध्यक्ष के समक्ष  
**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT**

आयकर अपील सं./ITA No.: 402/CHNY/2018  
निर्धारण वर्ष /Assessment Year: 2014-15

**Shri Raman Chandran,**  
No.1 Fourth Street,  
Gopalapuram,  
Chennai – 600 086.

**The Income Tax Officer,**  
v. Non-Corporate Ward -3(1),  
Chennai -34.

**PAN : AAGPC 8432L**  
(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri S. Sridhar, Advocate &  
Shri Macharla Rosaiah, CA  
प्रत्यर्थी की ओर से/Respondent by : Shri B. Sajive, JCIT  
सुनवाई की तारीख/Date of Hearing : 09.11.2021  
घोषणा की तारीख/Date of Pronouncement : 09.11.2021

**आदेश /O R D E R**

This appeal by the assessee is arising out of the order of Commissioner of Income Tax (Appeals)-4, Chennai, in ITA No.234/2016-17/A.Y.2014-15/CIT(A)-4 vide order dated 16.10.2017. The Assessment was framed by ITO, Non Corporate Ward- 3(1)(i/c), Chennai for the assessment year 2014-15 vide order dated 07.12.2016 U/s 143(3) of the Income Tax Act, 1961 (hereinafter 'the Act').

2. At the outset, it is noticed that this appeal is barred by limitation by 9 days. The cause explained in the affidavit vide para 3 & 4 reads as under:-

“3. The counsel for the appellant Sri Devanathan received the papers which were found wanting in details since the appellant was not in town due to reasons beyond his control was placed in Out of Station.

4. The papers concerning the appeal were submitted belatedly by the appellant who was ignorant of the technicalities of court proceedings and produced the relevant papers to the counsel who had to cover sufficient grounds to place the papers in right perspective to file them before the appellate court.”

When these were confronted to Id. senior Department Representative, he could not reply. As the cause seems reasonable, I condone the delay and admit the appeal.

3. The only issue in this appeal of assessee is as regards to the order of CIT(A) confirming action of the AO in adopting the fair market value of the property as on 01.04.1981 at Rs.100/- per sq.ft., as against adopted by the assessee at Rs.203/- per sq.ft.

4. I have heard rival contentions and gone through facts and circumstances of the case. The assessee along with his partner sold a property bearing No.80A N, No.137 present Door No.103, Periyar Pathai, Choolaimedu, Pulliyur Village, Chennai – 600 094 measuring an extent of 1005 sq.ft of plot and the Building

constructed thereon measuring 716 sq.ft. with built up area in Ground Floor 500 sq.ft., and in first floor 216 sq.ft. The assessee claimed a loss of Rs.56,220/- being 50% of his share on the sale of this property after claiming indexed cost of acquisition of Rs.32,86,500/- and also the indexed cost of improvements at Rs.22,26,078/-. It was claimed that this property was purchased in the year 1979 for a sum of Rs.32,000/-. According to the AO, the cost of building per sq.ft., works out to Rs.45/-. The assessee worked out the capital gain by adopting per sq.ft., rate of the building i.e., cost of acquisition as on 01.04.1981 at Rs.203/- per sq.ft. The AO applied the rate per sq.ft to the building at Rs.100/- per sq.ft. as on 01.04.1981 and reworked the long term capital gain. Aggrieved, the assessee preferred an appeal before CIT(A). The CIT(A) confirmed the action of the AO by stating that keeping in view the time gap, the AO has taken a reasonable value of Rs.100/- per sq.ft., as against Rs.203/- per sq.ft., adopted by the assessee. It was contented that the Registered Valuer has taken the value at Rs.190/- per sq.ft., of the building.

5. Now, before me, the assessee as well as Revenue both contented that reasonable estimate will serve the purpose. Both agreed that a reasonable amount of Rs.150/- per sq.ft., as against

amount estimated at Rs.100/- per sq.ft., by the AO will meet the ends of justice. I find the plea of assessee's counsel reasonable and taking the value as on 01.04.1981 i.e., cost of acquisition of the building at Rs.150/- per sq.ft. I direct the AO accordingly. The AO will recompute the capital gains accordingly.

6. In the result, the appeal of the assessee is partly allowed.

Order pronounced in the open court on 9<sup>th</sup> November, 2021 at Chennai.

Sd/-

(महावीर सिंह )

**(Mahavir Singh)**

उपाध्यक्ष /Vice President

चेन्नई/Chennai,

दिनांक/Dated, the 9<sup>th</sup> November, 2021

**RSR**

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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|------------------------|--------------------------|------------------------------|
| 1. अपीलार्थी/Appellant | 2. प्रत्यर्थी/Respondent | 3. आयकर आयुक्त (अपील)/CIT(A) |
| 4. आयकर आयुक्त /CIT    | 5. विभागीय प्रतिनिधि/DR  | 6. गार्ड फाईल/GF.            |