

आयकर अपीलीय अधिकरण 'सी' न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
"C" BENCH, CHENNAI

माननीय श्री वी. दुर्गा राव, न्यायिक सदस्य एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।
BEFORE HON'BLE SHRI V. DURGA RAO, JUDICIAL MEMBER AND
HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं./ **ITA No.1938/Chny/2019**
(निर्धारण वर्ष / **Assessment Year: 2016-17**)

M/s. RSL Alloys Coating Pvt. Ltd. 764/2B, Vazhdhalambedu Main Road Tiruneermalai, Chennai – 600 132.	बनाम/ Vs.	ACIT Corporate Circle-5(2), Chennai.
स्थायी लेखा सं./जीआइ आर सं./PAN/GIR No. AACCR-5197-G		
(□ पीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थी की ओरसे/ Appellant by	:	Shri M. Karunakaran (Advocate) – Ld. AR
प्रत्यर्थी की ओरसे/ Respondent by	:	Shri G. Johnson (Addl.CIT) – Ld. DR

सुनवाई की तारीख/ Date of Hearing	:	03-01-2022
घोषणा की तारीख / Date of Pronouncement	:	05-01-2022

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2016-17 arises out of the order of learned Commissioner of Income Tax (Appeals)-3, Chennai [CIT(A)] dated 29-04-2019 in the matter of assessment framed by Ld. Assessing Officer [AO] u/s. 143(3) of the Act on 25-12-2018.

2. Though the assessee has raised multiple grounds of appeal, however, in sum & substance, the assessee is aggrieved by the directions of Ld. CIT(A) to adopt full value of consideration u/s 50C @Rs.1975/- per square feet as against Rs.1797/- per square feet determined by Assistant Valuation Officer u/s 50C(2) of the Act.

3. Having heard rival submissions and after going through the orders of lower authorities, our adjudication would be as under. The assessee being resident corporate assessee is stated to be engaged in manufacturing of iron & steel.

4. During assessment proceedings, it transpired that the assessee sold 4329 sq. feet of land situated at Gerugambakkam Village for sale consideration of Rs. 38.91 Lacs which was far less than guideline value of Rs.104.74 Lacs. The assessee had sold part of land in earlier years also and similar issue of valuation for AYs 2014-15 & 2015-16 was already referred to District Valuation Officer. Since at the time of framing of assessment, the valuation report for this year was not received, the assessment was completed by Ld. AO adopting guideline value of Rs. 104.74 Lacs.

5. During appellate proceedings, the assessee furnished valuation report of Assistant Valuation Officer, Unit-2, Valuation Cell, Income Tax Dept., Chennai wherein the valuation was done at Rs.77.81 Lacs. The copy of the same is on record. However, Ld. CIT(A) disputed the same by observing that Assistant Valuation Officer had taken five sale instances of the surrounding properties sold during the year from 11-11-2014 to 03-08-2017. The sale price of sale instance taken in the year 2017 was lesser than the sale price of sale instance taken in the year 2015 as against general trend that the immovable property shall

appreciate with passing of time. The variation was not explained in the report. Further, the fair market value of assessee's property sold during the AY 2015-16 was valued by DVO at Rs.1975/- per square feet. The fall in the fair market value during this year was not explained in the valuation report. Therefore the valuation was not reliable. Accordingly, Ld. AO was directed to adopt value of Rs.1975/- per square feet for this year also. Aggrieved, the assessee is in further appeal before us.

6. Having heard rival submissions, it could be observed that guideline value of the property was much higher than the prevailing market value of the property and the same do not represent true market value of the property. The same is an undisputed fact which is also evident from the valuation made by valuation officers for AY 2015-16 as well as for this year wherein on both the occasions, the valuation has come lower than the guideline value. In such a scenario, the valuation, in our considered opinion, would be subjective matter and no fixed formula could be laid down to ascertain the true fair market value of the property. The difference in two valuations is bound to happen since various factors would be required to be factored in while valuing the property. However, when once valuation has been done by departmental valuation officer, then the same has to be adopted and should be given due weightage. Further, had valuation report for this year been received by Ld. AO before completion of assessment, the same would have been binding on Ld. AO. Therefore, Ld. CIT(A), in our opinion, was not correct to apply the valuation of AY 2015-16 to this year since specific separate reference was made for this year for valuation of property sold by the assessee during the year and the valuation would depend upon many variables viz. location of property, type of property, size etc. Therefore,

on the given facts and circumstances of the case, we direct Ld. AO to adopt the fair market value as Rs.77,81,300/- as valued by the valuation officer.

7. The appeal stand allowed in terms of our above order.

Order pronounced on 05th January, 2022.

Sd/-
(V. DURGA RAO)
न्यायिक सदस्य / JUDICIAL MEMBER

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखक सदस्य / ACCOUNTANT MEMBER

चेन्नई / Chennai; दिनांक / Dated : 05-01-2022
EDN/-

आदेश की प्रतिलिपि ँ ग्रेषित/Copy of the Order forwarded to :

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