

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

**माननीयश्री महावीर सिंह, उपाध्यक्ष एवं**  
**माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।**  
**BEFORE HON'BLE SHRI MAHAVIR SINGH, VICE PRESIDENT AND**  
**HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM**

आयकर अपील सं./ITA No. 2637/Chny/2017  
(निर्धारण वर्ष / Assessment Year: 2007-08)

<b>V. Jaggannathan</b> T77 A, 29 <sup>th</sup> Cross Street, Besant Nagar, Chennai – 600 090.	<b>बनाम/ Vs.</b>	<b>DCIT</b> Corporate Circle 5(1), Chennai- 600 034.
स्थायी लेखा सं./जी आइ आर सं./PAN/GIR No. AADPJ-3816-A		
(□ पीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थी की ओर से/ Appellant by	:	Shri R. Meenakshisundaram (Advocate) – Ld. AR
प्रत्यर्थी की ओर से/ Respondent by	:	Ms. R. Halen Ruby Jesintha (Addl. CIT) –Ld. DR

सुनवाई की तारीख/ Date of Hearing	:	16-02-2022
घोषणा की तारीख / Date of Pronouncement	:	21-02-2022

**आदेश / ORDER**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2007-08 arises out of the order of learned Commissioner of Income Tax (Appeals)-3, Chennai [CIT(A)] dated 30-08-2017 in the matter of assessment framed by Ld. Assessing Officer [AO] u/s. 143(3) r.w.s. 147 of the Act on 26-03-2015. The grounds raised by the assessee read as under:

1. The Order of the Commissioner of Income Tax (Appeals)-3, Chennai dated 30-08-2017 insofar as it omits to decide the contentions raised in ground No. 1, 2 and 3 of the grounds of appeal filed before the Commissioner as additional grounds, questioning the action of the Assessing Officer in reworking the guideline value for the purpose of valuation of land, especially after considering the appellant's submissions based on the guideline value furnished by the Sub- Registrar's Office, Adyar which clearly supports the submissions of the appellant/assessee is erroneous, against the provisions of law and contrary to the facts and circumstances of the case.

2. The Commissioner of Income Tax (Appeals) should have considered the submissions of the appellant on this issue and should have accepted the appellant's contention that the guideline value for the purpose of reworking the value of the land under section 50C(2) of the Act can be only Rs.3,332/-per square feet based on the guideline value as against Rs.7,038/- per square feet adopted by the Valuation Officer by giving a categorical finding instead of leaving the issue undecided.

3. The Commissioner of Income Tax (Appeals) erred in not considering the submissions made by the appellant on the question of recognition of guideline value on the date of Agreement in the light of the provisions of proviso to section 50C of the 'Act' and section 43CA of the 'Act', as also the Report of the Income Tax Simplification Committee (Eashwar Committee).

For these reasons and for any other reason that may be adduced at the time of hearing, it is prayed that the Hon'ble Tribunal may be pleased to direct the Commissioner of Income Tax (Appeals) to decide the issue of valuation based on the main contention raised by the appellant instead of ignoring the said contention and deciding the issue on the basis of alternate contention alone.

2. Drawing our attention to the grounds of appeal, Ld. AR submitted that additional ground nos. 1 to 3 as raised by the assessee during appellate proceedings has not been adjudicated by Ld. CIT(A). The Ld. AR also submitted that the rectification application as filed by the assessee has also not been disposed-off. The Ld. DR, on the other hand, submitted that the matter may be restored back to the file of Ld. CIT(A) in the light of rectification application filed by the assessee.

3. Having heard rival submissions and after careful consideration of material on records, our adjudication would be as under.

4. The case was reopened since it was noted that the assessee sold certain property at less than stamp duty value and the provisions of Sec.50C were applicable to the case of the assessee. It transpired that

the assessee, along with two co-owners, sold a property situated at 89-A, Santhome High Road, R.A. Puram for sale consideration of Rs.160 Lacs. The assessee's share in the built-up area was 2224 square feet out of total 5224 square feet. The sale agreement was entered into on 18.08.2006 whereas the sale deed was executed on 16.03.2007. The assessee received advance from time to time. The stamp duty value of the property was Rs.270.43 Lacs and the seller had paid stamp duty accordingly. The guideline land value was taken to be Rs.234.43 Lacs whereas the guideline building value was taken to be Rs.36 Lacs. The guideline rate per square feet of land was taken as Rs.8,850/- per square feet. Though the assessee opposed application of Sec.50C, however, rejecting the same, Ld. AO computed additional capital gains of Rs.48.17 Lacs by adopting guideline value. The matter of valuation was referred to valuation officer. Since the valuation report was not received, the assessment was completed by computing the capital gains based on stamp duty valuation.

5. The valuation report was received during May, 2005 wherein the DVO valued the property at Rs.255.08 Lacs which consist-of land valuation of Rs.186.43 Lacs and building value of Rs.68.64 Lacs. The rate per square of land was determined at Rs.7038/- per square feet. The assessee submitted that as per the information obtained from sub-registrar, the guideline value would be Rs.3,332/- per square feet for the period 01.04.2003 to 31.07.2007. The value was increased to Rs.8,850/- per square feet from 01.08.2007 only. Therefore, the value returned by the assessee was in order. During appellate proceedings, the assessee raised additional grounds of appeal wherein it contested the valuation

made by Ld. DVO and also contended that the guideline value was Rs.3,332/- per square feet.

6. In the remand report, Ld. AO submitted that the value may be taken as the value determined by Ld. DVO i.e., Rs.255.08 Lacs whereas the assessee submitted that the value should be taken as Rs.222.43 Lacs i.e., land valuation of Rs.186.43 as done by Ld. DVO and guideline value of building for Rs.36 Lacs as determined by sub-registrar at the time of registration of sale document. The assessee also submitted that valuation officer was not justified in valuing the land and building as a composite property and the valuation should have been made separately for land building.

7. The issue was crystallized by Ld. CIT(A) in the following manner: -

<b>value shown by assessee</b>	<b>Value adopted by Sub-Registrar</b>	<b>Value adopted by Value determined by the Valuation Officer</b>
Rs. 1,60,00,000	Rs. 2,70,43,650	Rs. 2,55,08,000
Land	Rs. 2,34,43,650	Rs. 1,86,43,662
Building	Rs. 36,00,000	Rs. 68,64,338

The Ld. CIT(A) observed that the assessee did not object to the value of land as determined by Ld. DVO and only objects to the value of the building. Since the building valuation of Ld. DVO was more than the valuation done by sub-registrar, the building valuation was to be accepted as Rs.36 Lacs. In other words, Ld. Ao was directed to recompute capital gains by adopting sale consideration as Rs.222.43 Lacs. Still aggrieved, the assessee is in further appeal before us.

8. Before us, Ld. AR has disputed the guideline value and submitted that the guideline value of land during the relevant period was Rs.3332/-

per square feet which was the same as returned by the assessee. The Ld. AR submitted that additional grounds raised by the assessee during appellate proceedings were not addressed by Ld. CIT(A) in the impugned order. After going through impugned order, we concur that this issue has not been addressed in the impugned order. Therefore, on the facts and circumstances of the case, we restore the matter back to the file of Ld. CIT(A) to address the additional grounds raised by the assessee. The submissions of the assessee are that the guideline value during the relevant period was Rs.3332/- per square feet only. The facts of the same may be brought on record and the issue may be re-adjudicated in the light of the same.

9. The appeal stands allowed for statistical purposes.

Order pronounced on 21<sup>st</sup> February, 2022

Sd/-  
(MAHAVIR SINGH)  
उपाध्यक्ष /VICE PRESIDENT

Sd/-  
(MANOJ KUMAR AGGARWAL)  
लेखासदस्य /ACCOUNTANT MEMBER

चेन्नई/ Chennai; दिनांक/ Dated : 21-02-2022  
*JPV*

**आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त (अपील)/CIT(A)
4. आयकरआयुक्त/CIT
5. विभागीयप्रतिनिधि/DR
6. गार्डफाईल/GF