

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'C' BENCH, CHENNAI
श्री वी दुर्गा राव न्यायिक सदस्य एवं श्री जी. मंजुनाथा, लेखा सदस्य के समक्ष
Before Shri V. Durga Rao, Judicial Member &
Shri G. Manjunatha, Accountant Member

आयकर अपील सं./I.T.A. No. 893/Chny/2019
निर्धारण वर्ष/**Assessment Year:2014-15**

M/s. Moon Star Beach Resorts (P) Ltd.,
Flat No. 6, 14, Whannels Road,
Egmore, Chennai 600 008.
[PAN:AAECM2763M]

Vs. The Deputy Commissioner of
Income Tax,
Corporate Circle 4(1)
Chennai.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri N. Quadir Hoseyn, Advocate
प्रत्यर्थी की ओर से/Respondent by : Shri P. Sajit Kumar, JCIT
सुनवाई की तारीख/ Date of hearing : 28.09.2022
घोषणा की तारीख /Date of Pronouncement : 14.10.2022

आदेश / O R D E R

PER V. DURGA RAO, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order of the Id. Commissioner of Income Tax (Appeals) 8, Chennai, dated 30.01.2019 relevant to the assessment year 2014-15.

2. Facts are, in brief, that the assessee filed its return of income for the assessment year 2014-15 on 30.10.2015 admitting total income of ₹.75,83,510/-. The assessee has offered long term capital gains of ₹.85,27,750/- arising out sale of 5 grounds of land. The sale consideration

received by the assessee was ₹.1,80,00,000/- and the Assessing Officer invoked section 50C of the Income Tax Act, 1961 ["Act" in short]. According to the Assessing Officer, as per section 50C of the Act, the value of the property is Rs. 3 crores and the same is considered for capital gains. According to the DVO value, the valuation of the property was ₹.2,52,14,400/-. The Assessing Officer adopted the same and accordingly calculated capital gains at ₹.1,57,42,150/- and brought to tax.

On appeal, the Id. CIT(A) has considered the issue and held as under:

"7. The submission of the assessee is considered. It is seen that the Government of Tamil Nadu had raised the guideline value several times between 2012 to 2017. The guideline value of the property sold was at Rs.750/- per sq.ft. as on 31.3.2012. This has been increased several times to Rs.3,000/- per sq.ft. from 1.4.2012 onwards. This steep and unreasonable increase in the guideline value rate had been modified from 9.6.2017 to Rs.2000/- per sq.ft. in the same area. As per the valuation report given by the Learned Valuation Officer, the valuation of 12,000 sq.ft. of land has been taken at an average value of Rs.2100/- per sq.ft. However, it is seen that the revised valuation applicable from 9.7.2017 has not been given credence to. The valuation officer appears to have allowed discount over the valuation initially taken at Rs.3000/ sq.ft. The value of the land was expected to marginally increase from year to year and not decrease over the years. The fixation of guideline value as above is a classic case of unscientific fixation of guideline value by the local authorities. Considering the arbitrariness in the valuation fixed and any possible harm to the assessee on account of such whimsical and arbitrary fixation of guideline value, the Assessing Officer is directed to take the value at Rs.2,000/- per sq.ft. for 12,000/- sq.ft. with a gross value of Rs.2,40,00,000/- for the entire property. The assessee gets partial relief and the grounds of appeal of the assessee are partially accepted."

3. We have heard both the sides, perused the materials available on record and gone through the orders of authorities below. We find that the

DVO has considered value of the property at ₹.2,100/- per sq.ft. and the Id. CIT(A) has considered the value of the property at ₹.2,000/- per sq.ft. and accordingly relief was granted. We find that after DVO valuation report also, the Id. CIT(A) has granted relief to the assessee. The assessee has not been able to point out any mistake in the order passed by the Id. CIT(A). Accordingly, the ground raised by the assessee is dismissed.

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

Order pronounced on the 14th October, 2022 in Chennai.

Sd/-
(G. MANJUNATHA)
ACCOUNTANT MEMBER

Sd/-
(V. DURGA RAO)
JUDICIAL MEMBER

Chennai, Dated, 14.10.2022

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy 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.