

आयकरअपीलीयअधिकरण, 'सी' न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH, CHENNAI

श्रीमहावीर सिंह, उपाध्यक्ष एवंश्री मनोज कुमार अग्रवाल, लेखा सदस्यके समक्ष

**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND
SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER**

1. आयकरअपीलसं./**ITA No.: 3218/CHNY/2019**

निर्धारण वर्ष/Assessment Year: 2010-11

Shri K. Premanathan
B-36, Rathna Enclave,
Sathri Road, Thillainagar,
Trichy – 620 018.

PAN: AAGPP 9096D

(अपीलार्थी/Appellant)

The DCIT,
vs. Circle-3,
Tirchy.

(प्रत्यर्थी/Respondent)

&

2. आयकरअपीलसं./**ITA No.: 3403/CHNY/2019**

निर्धारण वर्ष/Assessment Year: 2010-11

M/s. Altech Fabricators
D-9, D-10, Developed Plots,
Thuvakkudi,
Trichy – 620 015.

PAN: AABFA 0407E

(अपीलार्थी/Appellant)

The Income Tax Officer,
vs. Ward 3(3),
Trichy.

(प्रत्यर्थी/Respondent)

&

3. आयकरअपीलसं./**ITA No.: 3357/CHNY/2019**

निर्धारण वर्ष/Assessment Year: 2009-10

**M/s. Jay Engineering
Industries**
Door Nos.127, 128,
Developed Plot Estate,
Thuvakkudi, Trichy – 620 015.

PAN: AAAFJ 4077C

(अपीलार्थी/Appellant)

The Income Tax Officer,
vs. Ward 3(3),
Trichy.

(प्रत्यर्थी/Respondent)

अपीलार्थीकीओरसे/Appellant by

: Shri A.S.Ramakrishnan CA (Sl. No.1)
Shri G.Srikanth, CA (Sl. No.2)
Shri N. Arjun Raj, CA (Sl. No.3)

प्रत्यर्थीकीओरसे/Respondent by

: Ms. Jancy Elizabeth, JCIT

सुनवाई की तारीख/Date of Hearing : 30.01.2023
घोषणा की तारीख/Date of Pronouncement : 28.02.2023

आदेश /ORDER

PER MAHAVIR SINGH, VICE PRESIDENT:

1. These three appeals emanate out of common order passed by learned Commissioner of Income Tax (Appeals)-1, Trichy in ITA Nos.167, 335, 169, 307 & 159/2016-17/CIT(A)-1/TRY dated 10.10.2019. The assessment of Shri K. Premanathan for Assessment Year (AY) 2010-11 was framed by the DCIT, Circle-3(1), Trichy u/s 143(3) r.w.s. 147 vide order dated 31.03.2016. The assessment for same year in case of M/s. Altec Fabricators was framed by Income Tax Officer, Ward 3(3), Trichy u/s 143(3) r.w.s. 147 vide order dated 28.12.2016. The assessment for AY 2009-10 in the case of M/s. Jay Engineering industries was framed by Income Tax Officer, Ward 3(3), Trichy u/s.143(3) r.w.s. 147 of the Act on 27.12.2016.

2. The appeal in the case of M/s Altech Fabricators in ITA No.3403/CHNY/2019 is a recalled matter since the appeal was disposed-off by Tribunal vide order dated 13.02.2020. However, the order was recalled vide MP No.125/Chny/2020 dated 07.07.2021 for the limited purpose of adjudication of ground nos. 5 & 6. These

grounds assail the directions of Ld. CIT(A) that the amount received should be taxed either as business income or income from others sources. Further, Ld. CIT(A) should have directed for adjustment of pre-existing dues from the receipts.

3. The sole issue that arises in all these appeals is as regards to assessment of sale proceeds of 9365 shares of Asian Asbestos Cement Industries Ltd.(AACIL) for a total consideration of Rs.6,13,80,000/- which is stated to have been received as under: -

Name	Name of Entity	Amount (Rs.)
Mr. K. Premanathan	MD of M/s Anand Engg. Products Pvt. Ltd. (AEPPL)	Rs.4,01,11,830/-
Mr. K. G. Ramesh	Partner of M/s Altech fabricators	Rs.1,11,40,470/-
Mr. N. Narahari Prasad	Partner of M/s Jay Engg. Industries	Rs.1,01,27,700/-

In the case of Shri K. Premanathan in ITA No.3218/CHNY/2019 for AY 2010-11, Ld. AO computed Long Term Capital Gains (LTCG) of Rs.254.68 Lacs by deducting indexed cost of acquisition from sale consideration of Rs.401.11 Lacs. After deducting LTCG of Rs.248.13 Lacs as already offered by the assessee, Ld. AO added differential amount of Rs.6.55 Lacs to the income of the assessee. The Ld. AO also made protective addition of Rs.219.23 Lacs by taking entire sale consideration of Rs.613.80 Lacs in the case of this assessee.

In the case of M/s. Altec Fabricators in ITA No.3403/CHNY/2019 for AY 2010-11, the AO made assessment of sum received at

Rs.61,40,470/- as 'income from other sources', which is part of receipt of sale consideration of shares of Asian Asbestos Cement Industries Ltd.

In the case of M/s Jay Engineering Industries in ITA No.3357/CHNY/2019 for AY 2009-10, the AO added the net credit outstanding of Rs.81,93,693/- as unexplained credit.

4.1 The brief facts are that M/s Asian Asbestos Cement Industries Ltd. (in short 'AACIL') was allotted land ad measuring 13.64 acres by SIDCO at Development Estate, Thuvakkudi. Since AACIL could not pay the outstanding amount of Rs.1.17 Crores to SIDCO, it approached three persons namely Shri K. Premanathan, Managing Director of Anand Engineering Products Pvt. Ltd. (AEPPL), Shri K. G. Ramesh, Managing Partner of M/s Altech Fabricators and Shri N. Narahari Prasad, Managing Partner of M/s Jay Engineering Industries. These three persons joined together and paid the amount directly to SIDCO and discharged the liability of AACIL during the financial year 2005-06 as under: -

Shri K. Premanathan	42.24 lakhs
Shri K. G. Ramesh	45 lakhs
Shri N. Narahari Prasad	30 lakhs

4.2 Consequent to payment of Rs.1,17,24,000/- as above, SIDCO vide letter dated 30.05.2006 in RC No.16580/D2/98, re-allotted the

above-mentioned land to AACIL. Since AACIL had not commenced the business, SIDCO did not register the land in its name. Subsequently upon perusal of Form No.32 filed with ROC, it was noted by Ld. AO that the aforesaid three individuals became Additional Directors of AACIL. Shri K. Premanathan was appointed as Joint MD of AACIL. Subsequently, AACIL entered into a MOU on 04.09.2008 with another entity viz. Vessons Energy Systems Pvt. Ltd. (in short 'VESPL') to transfer this land with building for a total consideration of Rs.613.80 Lacs which was paid by VESPL through cheques to M/s Anand Engineering Products Pvt. Ltd. (whose Managing Director was Shri K. Premanathan). The entire consideration of Rs.613.80 Lacs was mutually shared by the three investors as under: -

Mr. K. Premanathan	Rs.4,01,11,830/-
Mr. N. Narhari Prasad	Rs.1,01,27,700/-
Mr. K. G. Ramesh	Rs.1,11,40,470/-

4.3 Pursuant to the same, SIDCO re-allotted the above land to VESPL on 02.07.2010 and the land was registered in the name of VESPL on 05.03.2012. The registration document registered the total consideration for this land at Rs.1,16,62,870/- which was paid by the aforesaid three individuals to SIDCO during financial year 2005-06 for discharging the liability of AACIL.

4.4 During the course of assessment proceedings of Shri K Premanathan, Ld. AO issued summons u/s.131 to other investors namely Shri K. G. Ramesh and Shri N. Narahari Prasad on 16.04.2014 & 17.04.2014. Shri K. G. Ramesh, managing partner of M/s Altech Fabricators admitted to have made investment in purchase of land from SIDCO by making advance of Rs.45 Lacs by way of DD issued on 27.03.2006 from the current account of the firm M/s. Altech Fabricators. It was admitted by Shri K. G. Ramesh that this transaction was duly admitted in the return of income of M/s Altech Fabricators for the financial year 2005-06 relevant to AY 2006-07. Shri K. G. Ramesh also admitted receipt of consideration of Rs.50 Lacs on 31.03.2009 through the firm M/s Altech Fabricators out of sale of shares and also further sum of Rs.61.40 Lacs on 08.09.2009 from AEPPL to M/s. Altech Fabricators. In other words, Shri K. G. Ramesh admitted to have received a sum of Rs.111.50 Lacs in the firm M/s Altech Fabricators from AEPPL.

4.5 Similarly, statement of Shri N. Narahari Prasad, Managing Director of M/s.Jay Engineering was also recorded. He admitted to have received a sum of Rs.1.30 Crores from AEPPL. The relevant replies given by him, as extracted in the assessment order, are as under:-

I am not having any shares in M/s. Asian Asbestos Cement Industries Limited. I have received a sum of Rs.1.30 crores on the following dates from M/s. Anand Engineering Products Pvt. Ltd.

01/12/2008	Rs.30,00,000
01/01/2009	Rs.50,00,000
01/01/2009	Rs.50,00,000

As on 01/04/2008, M/s. Anand Engineering Products Private Limited had to pay my firm M/s. Jay Engineering to Rs.85 lakhs as trade debtors. I could not segregate the amount received from M/s.Anand Engineering Products Private Limited, whether it relates to the opening trade debtor due or towards the sale proceeds of said land belongs to M/s.Asian Asbestos Cement Industries Limited.

The Ld. AO, upon perusal of copy of accounts, Ledger etc. noted that the above transaction was not entered with regular business transactions and the consideration amount was kept separately.

4.6 A summon u/s 131 was also issued to the purchaser Shri V. Ramakrishnan, Managing Director of VESPL. He admitted that he and his wife purchased 9365 shares of AACIL from Shri K.Premanathan by paying a sum of Rs.6.14 Crores for agreeing to transfer the right of allotment of 13.65 acres of land allotted by SIDCO in favour of VESPL. It was admitted that this was done through share transfer for which no separate amount was paid. Consequently, as per MoU dated 04.09.2008, the land measuring 13.64 acre, which was allotted to AACIL by SIDCO was transferred to VESPL. Shri V. Ramakrishnan admitted this fact in his statement recorded on

22.02.2016 and the relevant answer as reproduced in the order of assessment, reads as under:-

M/s. Asian Asbestos Cement Industries Limited was not having any right to transfer the allotment to them at any point of time. It is SIDCO who had the sole right to permit the transfer of land allotted to one person. M/s. Asian Asbestos Cement Industries Limited has only agreed for such transfer in favour of M/s. Vessons Energy Systems P. Ltd. M/s. Asian Asbestos Cement Industries Limited was at no point of time having any right of ownership over 13.6 acres of land. M/s. Asian Asbestos Cement Industries Limited was only an allottee by M/s. SIDCO and they had no right whatsoever even for the transfer of such right of allotment. It is only for the conveyance of the willingness of M/s. Asian Asbestos Cement Industries Limited for transfer of allotment by SIDCO to M/s. Vessons Energy Systems Private Limited, a sum of Rs.6.14 Crores was paid to Mr. K. Premanathan.

4.7 Shri V. Ramakrishnan admitted that Shri K. Premanathan was holding 9365 shares in Asian Asbestos Cement Industries Ltd., and balance shares were held by other persons, the details for which was not available. The details of share transaction and holding pattern as tabulated in the assessment order was as under:-

Sl.No.	Transferor	Transferee	Consideration amount	No.of shares
1.	K. Premanathan	V. Ramakrishnan	Not mentioned	7000
2.	K. Premanathan	M. Ramakrishnan	Not mentioned	2365
3.	K. Premanathan	V. Shanker	Not mentioned	1350
4.	K. Premanathan	S. Ramya	Not mentioned	1350
5.	K. Premanathan	R.Manoj	Not mentioned	1350
6.	K. Premanathan	Vasu	Not mentioned	1365
7.	K. Premanathan	Subramanian	Not mentioned	50
			Total	14830

4.8 In the above background, Ld. AO noted that the land ad measuring 13.64 acres was allotted by SIDCO to AACIL and due to financial crunch, three persons namely Shri K. Premanathan, Shri K. G. Ramesh and Shri N. Narahari Prasad made payment directly to SIDCO for discharging the liabilities of the company. They sold this property by virtue of transfer of shares to VESPL through its managing director Shri V. Ramakrishnan for a total consideration of Rs.6,13,80,000/- which was shared amongst them in following proportions:-

Mr. K. Premanathan	Rs.4,01,11,830/-
Mr. N. Narhari Prasad	Rs.1,01,27,700/-
Mr. K. G. Ramesh	Rs.1,11,40,470/-

4.9 The AO of Shri K. Premanathan noted that the assessee declared sale consideration of Rs.401.11 Lacs and offered to tax Long Term Capital Gain of Rs.248.13 Lacs. However, Ld. AO computed Long Term Capital Gains of Rs.254.68 Lacs by deducting indexed cost of acquisition from sale consideration of Rs.401.11 Lacs and added the differential of Rs.6.55 Lacs to the income of the assessee. The Ld. AO also made protective addition of Rs.219.23 Lacs by taking entire sale consideration of Rs.613.80 Lacs in the case of this assessee.

4.10 On the same set of facts, AO of M/s. Altec Fabricators(whose partner was Shri K.G. Ramesh), noted that the investment was made from the firm. The firm received sum of Rs.50 Lacs on 31.03.2009 as well as another sum of Rs.61.40 Lacs on 08.09.2009 from AEPPL. This amount was adjusted against opening debtors since this firm had to receive certain amount from AEPPL. The firm could not segregate the amount received from AEPPL i.e., whether the same relates to opening debtors or relate to sale consideration of land. However, Ld. AO held that the amount received by the firm was unexplained credit and accordingly, the amount of Rs.61.40 lacs as received in this year was added as 'income from other sources'.

4.11 The AO of M/s Jay Engineering Industries framed an assessment for AY 2009-10 u/s 143(3) r.w.s. 147 on 27.12.2016.A notice u/s 148 was issued on 31.03.2016 (apparently wrongly mentioned as 31.03.2014 in the assessment order) on formation of belief of escapement of income. It transpired that the assessee had kept the amount of Rs.130 Lacs as received from AEPPL separately under the head of 'creditors'. Shri N. Narahari Prasad admitted to have made investment of Rs.30 Lacs from the firm which was paid to SIDCO for discharging the liability of AACIL. The amount of Rs.130 Lacs was received, however, the same could not be

segregated i.e. whether it relates to opening debtors or relate to sale proceeds of land. The amount of Rs.30 Lacs was received on 01.12.2008 and the amount of Rs.100 Lacs was received on 01.01.2009. The Ld. AO rejected the plea of the assessee and held that difference of the two amounts i.e.. Rs.130 Lacs and opening balance of Rs.48.06 Lacs would be unexplained credit in the hands of the assessee. The same resulted into an addition of Rs.81.93 Lacs in the hands of the assessee.

Proceedings before first appellate authority

5. Aggrieved as aforesaid, all the three assessees as well as Shri K.G. Ramesh and Shri N. Narahari Prasad filed appeal before CIT(A). In case of Shri K. Premanathan, Ld. CIT(A) adjudicated the issue as under: -

14(a) The main contention of the Mr. A.S. Ramakrishnan CA is that Mr. K. Premanathan had 9365 shares while the other two parties combined had 5465 shares and that all three of them had become directors in AACIL and that it was only with the consent of other two parties that Shri K. Premanathan entered into an MOU with M/s. Veelsons and that though the entire payment was received in AEPPL the payment to Shri Narahari Prasad was made by making endorsement of checks received from M/s. Veelsons and intention of assessee was not to enter into realestate business. This can be contrasted from grounds of appeal given above in the hands of other two parties who allege that no shares were transferred by them and the entire consideration and dealing was done only by Mr. K. Premanathan. If KP has borrowed amounts from other two parties then in computing the business profits, he will be allowed deduction only of his investments and of interest payments attributed to amounts given by KGR and by NP. Taking into account business environment interest due is calculated at annual rate of interest of 18%.

14(b). In light of above the income of Shri K. Premanathan is computed as under:-

Total Consideration	Rs.6,13,80,000/-	M
Investment / Principal payment made by Shri K. Premanathan	Rs.42,40,000/-	A
Interest amount for 4 years from AY 2005-06 to AY 2009-10 for Mr.K.G. Ramesh computed at 18% per annum (72%) of Rs.45,00,000/-	Rs.32,40,000/-	B
Interest amount for 4 years from AY 2005-06 to AY 2009-10 for Mr.Narahari Prasath / Jay Engineering computed at 18% per annum (72%) of Rs.30,00,000/-	Rs.21,60,000/-	C
Total (A+B+C)	Rs.96,40,000/-	
Business Income M minus (A+B+C)	Rs.5,17,40,000/-	

15. It is to be seen that Mr. Narahari Prasad and Mr. K.G. Ramesh have only acted as lenders of the money and hence they cannot claim that any amount received from Mr. K. Premanathan is on account of transfer of any capital asset and hence any gains made by them will have to be assessed either as business income in nature of interest or as income from other sources but definitely not as Capital Gains. Enhancement notice stating this proposition was sent to both Mr. Narahari Prasad and M/s. Jay Engineering Industries dated 08.07.2019 and to Mr. K.G. Ramesh and his Proprietary Firm M/s. Altec Engineers dated 08.07.2019.

Thus, Ld. CIT(A), in the case of Shri K. Premanathan, held that the amount received from other parties was to be treated as loan transactions carrying interest rate of 18%. The deduction of this expenditure would be available to the assessee against sale consideration of Rs.613.80 Lacs and the income would be computed as 'business income'.

6. In the case of Shri K. G. Ramesh, Ld. CIT(A) held that any excess amount received by Shri K. G. Ramesh over its investment was to be treated as interest which would be 'income from other sources'. However, since the payment was received by M/s Altech Fabricators, the said amount would be taxed as 'business income / income from other sources' in the hands of M/s Altech Fabricators. The Ld. AO was directed to reopen the assessment of M/s Altech Fabricators for AY 2009-10. However, these directions have already been quashed by the Tribunal in the case of M/s Altech Fabricators vide its order dated 13.02.2020.

7. In the case of Shri N. Narahari Prasad, Ld. CIT(A) rejected the legal grounds raised by the assessee qua issue of notice u/s 148. The Ld. CIT(A) issued similar directions i.e., any excess amount received over investment was to be taxed as 'income from other sources'. However, since the amount was received by M/s Jay Engineering Industries, the same would not be taxed again in the case of this assessee but assessed as 'business income / income from other sources' in the case of M/s Jay Engineering Industries. The amount in the hands of M/s Altech Fabricators as well as in the case of M/s Jay Engineering Industries would be gift received from Shri K. Premanathan and the same would be added u/s 56 of the Act.

8. The aforesaid adjudication has given rise to present appeals before us. The three assessee assails the findings rendered by Ld. CIT(A) in their respective cases.

Our findings and Adjudication

9. From the facts, it emerges that the three individuals viz. Shri K. Premanathan, Shri K.G. Ramesh and Shri N. Narahari Prasad have joined hands to make certain investment in certain land allotted by SIDCO to AACIL since AACIL could not discharge its liability to SIDCO. The investment was made by three individuals in certain proportion as tabulated in preceding para 4.1. The investment so made by them revived the rights of AACIL in acquiring the said land from SIDCO. Since AACIL did not commence business, SIDCO did not register the land in its name. In due course, these three persons became additional directors of AACIL in the land. Shri K. Premanathan was appointed as joint MD of AACIL and he was holding entire shareholding of AACIL. Subsequently, the right held by AACIL has been sold to VESPL by MOU dated 04.09.2008 wherein the right in land has been transferred against sale consideration of Rs.613.80 Lacs. The sale consideration has been paid by VESPL to AEPPL whose Managing Director was Shri K. Premanathan. The transfer has been facilitated through transfer of 9365 shares held by Shri K. Premanathan in AACIL. This fact has

already been confirmed by Shri V. Ramakrishnan (MD of VESPL). The land has finally been re-allotted to VESPL on 02.07.2010. In the above background, the only conclusion that could be drawn was that the series of aforesaid transactions was nothing but acquisition of right in land by three persons and subsequent transfer of right in land in favor of VESPL against sale consideration of Rs.613.80 Lacs. In such a case, any consequential assessment framed has to assess the resultant income as 'Capital Gains' or 'Business Income' only, as the case may be. It could also be seen that the contribution made by Shri K. G. Ramesh and Shri N. Narahari Prasad could not be termed as loan transaction to Shri K. Premanathan since none of the facts on records as well as various statements recorded by Ld. AO support this proposition. The statements given by these two persons make it very clear that the two persons perceived the transaction to be acquisition of right in certain land which is further evidenced by the fact that Shri K. G. Ramesh as well as Shri N. Narahari Prasad became additional directors of AACIL and entered into MOU as owner and not as money lender. The only reason adduced by the said persons not to offer the transaction to capital gain was the fact that the amount received by the firms could not be segregated i.e., how much related to business transaction and how much related to sale consideration of land. Therefore, the conclusion of Ld. CIT(A) in

the impugned order that the two persons merely acted as money lender, could not be sustained. In the above background, the issues are adjudicated as under.

10. The only ground to be adjudicated in the case of M/s Altech Fabricators are ground nos. 5 & 6 which assails the directions of Ld. CIT(A) that the amount received should be taxed either as 'business income or income from other sources'. Upon perusal of assessment order of this entity, it could be seen that the amount of Rs.50 Lacs as received by Shri K.G. Ramesh in AY 2009-10 has already been offered to tax by him. The firm M/s Altech Fabricators has received the amount of Rs.61.40 Lacs from AEPPL during this year which has been added as unexplained cash credit. Shri K.G. Ramesh admitted that the amount received could not be segregated. Another plea was that the said amount could not be taken as sale consideration since no sale took place between AEPPL and M/s Altech Fabricators. The Ld. CIT(A) has held that the amount received over investment should be brought to tax in AY 2009-10 in the hands of the firm and accordingly, directions were issued to reopen the assessment. However, these directions have already been rejected by Tribunal. We also have rejected the adjudication of Ld. CIT(A) that the said amount should be considered as loan. From facts as narrated in para 4.4, it emerges that that the initial investment has been made

by Shri K.G. Ramesh from current account of M/s Altech fabricators and this transaction has been reflected in the return of income of the firm for AY 2006-07. The sale consideration has also been received by the firm. In such a scenario, the resultant gains would be assessable in the hands of the firm only. Since Shri K.G. Ramesh has already offered gains of Rs.50 Lacs during AY 2009-10, the balance LTCG would be assessable in the hands of the firm during AY 2010-11. The Ld. AO is directed to re-compute the gains arising in the hands of this firm. How the entries have been reflected in the books of accounts would not be of much relevance since the receipts are nothing but sale proceeds of transfer of right in the land. The assessee is directed to provide the requisite details and computations. The appeal stands disposed-off accordingly.

11. So far as the assessment of M/s Jay Engineering Industries is concerned, it could be seen that the entire sale consideration of Rs.130 Lacs has been received by this assessee in AY 2009-10 itself. However, this transaction has not been offered to tax either by M/s Jay Engineering Industries or Shri N. Narahari Prasad in any of the year. This being so, the sale consideration of Rs.130 Lacs would be considered as sale consideration in the hands of the firm and necessary computations of LTCG would follow.

12. The Ld. AR has assailed the legality of assessment proceedings on the ground that the case was already scrutinized u/s 143(3) on 30.12.2011 and the impugned issue was examined by Ld. AO, thus ousting the reopening jurisdiction of Ld. AO. In this regard, it could be seen that the reassessment proceedings have been triggered pursuant to survey action in the case of Shri K. Premanathan on 15.04.2014 which is a subsequent event. All the facts of the impugned transactions came to the notice of Ld. AO on the basis of survey proceedings. The statement of Shri N. Narahari Prasad was recorded on 17.04.2014 wherein he admitted the facts as pointed out by Ld. AO. The firm as well as Shri N. Narahari has not offered this transaction to tax in any of the years merely on the ground that the receipts could not be segregated into business transaction and land transaction. The Ld. AO had no occasion to consider this transaction during original assessment proceedings since all these facts were not before him. Therefore, it could not be said that any opinion was formed on the impugned issue. Nowhere it has been shown that all the facts of the case were brought to the knowledge of Ld. AO by the assessee during the course of original assessment proceedings. The survey findings, in our considered opinion, was sufficient material for Ld. AO to enter into reassessment jurisdiction. No infirmity could be noted in the procedure followed by Ld. AO or

in the approval taken to reopen the case of the assessee. The recorded reasons have duly been supplied to the assessee as per its request. Therefore, we decline to accept the legal ground raised by the assessee. The findings of Ld. CIT(A) that the aforesaid transaction was to be considered as gift stand reversed. The issue of computation of LTCG stand restored back to the file of Ld. AO with a direction to the assessee to provide requisite details / computations. The appeal stands disposed-off accordingly.

13. In view of our findings rendered as above, the protective addition made in the hands of Shri K. Premanathan stand deleted. The LTCG, for this assessee, would be re-computed by Ld. AO by taking sale consideration of Rs.401.11 Lacs. The assessee is directed to provide the requisite details and computations. The appeal stands disposed-off accordingly.

14. In the result, all the appeals stand partly allowed to the extent indicated in the order.

Order pronounced on 28th February, 2023 at Chennai.

Sd/-

(मनोज कुमार अग्रवाल)

(MANOJ KUMAR AGGARWAL)

लेखा सदस्य/ACCOUNTANT MEMBER

चेन्नई/Chennai,

दिनांक/Dated, 28th February, 2023

RSR

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant

4. विभागीय प्रतिनिधि/DR

2. प्रत्यर्थी/Respondent

5. गार्ड फाईल/GF.

Sd/-

(महावीर सिंह)

(MAHAVIR SINGH)

उपाध्यक्ष /VICE PRESIDENT

3. आयकर आयुक्त /CIT