

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“PATNA BENCH, PATNA**  
**VIRTUAL HEARING AT KOLKATA**

**श्री संजय गर्ग, न्यायिक सदस्य एवं श्री गिरीश अग्रवाल, लेखा सदस्य के समक्ष**  
**Before Shri Sanjay Garg, Judicial Member and Shri Girish Agrawal, Accountant Member**

**I.T.A. No.47/Pat/2021**  
**Assessment Year: 2015-16**

**SIS Prosecur Holdings Pvt. Ltd..... Appellant**  
**Annapoorna Bhawan,**  
**Patliputra Telephone Exchange,**  
**Kurji, Patna,**  
**Bihar-800010**  
**[PAN: AAUCS7524A]**

**vs.**

**PCIT-1, Patna..... Respondent**

**Appearances by:**

Shri Nageswar Rao, Adv., appeared on behalf of the appellant.

Smt. Rinku Singh, CIT-DR, appeared on behalf of the Respondent.

Date of concluding the hearing : May 18, 2023

Date of pronouncing the order : May 18, 2023

**आदेश / ORDER**

**संजय गर्ग, न्यायिक सदस्य द्वारा / Per Sanjay Garg, Judicial Member:**

The present appeal has been preferred by the assessee against the revision order dated 25.03.2021 of the Principal Commissioner of Income Tax-1, Patna [hereinafter referred to as ‘PCIT’] passed u/s 263 of the Income Tax Act (hereinafter referred to as the ‘Act’).

2. The brief facts of the case are that the ld. PCIT while examining assessment records found that the assessee during the year had issued 900000 equity shares of Rs.10/- at a premium of Rs.90/- per share totalling Rs.100/- per share. The ld. PCIT further observed as under:

*It is to be noted that, during the year under consideration, the provisions of section 56(2)(viib) were applicable as per which if aggregate consideration for issuance of shares is more than fair market*

*value of the shares, the difference has to be taxed as income. The fair market value can be Book Value or value determined as per discounted cash flow method (DCF).*

*A perusal of the details filed shows that book value as per balance sheet has negative value per share whereas the value of shares as per DCF method was shown at Rs. 97/- per share. A report of valuation was submitted by the assessee during assessment proceedings. Perusal of the report indicates that certain key assumptions were made to arrive at the aforesaid valuation which reads as under:-*

*"..... In the course of our work, we have held discussions with the Management of the company. We have also examined and relied on information provided by them and reviewed other relevant publicly available information. We have not independently verified or sought the views of third party/ industry specialists for all such information's provided or any representation or assurance made by them, whether written or verbal, accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information representation or assurance....."*

*A perusal of the report further shows that the free cash flow for equity was estimated arbitrarily. The Valuers have taken future cash flow as certified by the management. No verification of projections and/or assumptions adopted by management was made by the accountants, thereby producing a report which is inherently flawed. The long disclaimer qualified by the Valuers clearly establishes that no independent enquiry was caused to verify the truth or otherwise of the figures furnished by the assessee. Further, it was noted that no documentary evidence to substantiate basis of projections in cash flow was made part of valuation report nor were any produced by the assessee during the course of assessment proceedings. In view of the above facts, the Valuation report submitted suffers from grave infirmities and should not have been accepted. The assessment order made by the AO relying on the valuation report without conducting enquires/verification is erroneous and prejudicial to the interest of revenue. Accordingly, the assessment order u/s. 143(3) of the IT Act, 1961 for AY 2015-16 dated 28.12.2017 was found to be erroneous in so far as it is prejudicial to the interest of revenue within the meaning of section 263 of the Income Tax Act, 1961.*

3. Therefore, the Id. PCIT noting that the provisions of section 56(2)(viib) of the Act was applicable and that the Assessing Officer has not examined the above aspect relating to the fair market value of the shares and that there were discrepancies in the valuation record

furnished by the accountant, the ld. PCIT invoking his revision jurisdiction u/s 263 of the Act show-caused the assessee in this respect.

The assessee, however contested the invocation of revision jurisdiction by the PCIT u/s 263 of the Act on various ground, inter alia, that the order of the Assessing Officer was neither erroneous nor prejudicial to the interest of the revenue and that the Assessing Officer had made due enquiries at the time of framing the assessment order u/s 143(3) of the Act; that the Assessing Officer cannot question the valuation undertaken by the assessee and that the valuation report obtained by the company was binding upon the revenue and hence cannot be questioned etc.

The ld. PCIT considering the submissions of the assessee which have also been reproduced by the ld. PCIT in the impugned order, however, held that the assessment order passed by the Assessing Officer was erroneous so far as it was prejudicial to the interest of the revenue observing that the valuation of shares arrived at by the accountant as per DCF (Discounted Cash Flow Method) method at Rs.97/- per share relying on the arbitrary values, figures etc information provided by the management of the company and without independently verifying the accuracy or completeness of such information or seeking the views of third party/industry specialists for all such information provided, cannot be held to be correct market value. He, therefore, set aside the assessment order with a direction to the Assessing Officer to frame the assessment de novo while making fresh enquiries/verification regarding the accuracy or completeness of such information provided by the management of the company for the purpose of valuation of the shares as per the discounted cash flow method and finalise the

assessment in accordance with law. The relevant part of the order of the PCIT is reproduced as under:

*8. The contention of the assessee has been examined with reference to material on record. It is noted that the assessee/AR failed to put forth any cogent explanation with supporting documents, substantiating that the Assessing Officer has completed the assessment after making enquiries, verification with regard to valuation of share made by the valuer at Rs. 97 per share. A perusal of the details available on record shows that book value as per balance sheet has negative value per share whereas the value of shares as per DCF method was shown at Rs. 97/- per share. A report of valuation was submitted by the assessee during assessment proceedings. The relevant part of the valuation report is reproduced hereunder:*

Particulars	2015	2016	2017	2018	2019	2020	
Free cash flow for Equity		- 12.31	102.34	129.86	98.66	122.43	
Discounting Factor	0.99	0.87	0.77	0.68	0.60	0.53	
Discounting Cash Flow		- 10.75	78.83	88.24	59.15	64.76	
Terminal Value							1461
Discounted Terminal Value							773
Enterprises Value							1053
Less: Net Debt							177
Post Infusion Equity Valuation							876
Equity Infusion							900
Pre Money Equity Valuation							-24
Value per share							97

Value	Before issuance of shares	
No of shares existing	1000	9010000
Pre-money valuation	-2,40,75,191	87,59,24,809
Value per share	-2,408	97
New shares to come in at	-2408	100
New Investment	90,00,00,000	0

*Perusal of the report also indicates that certain key assumptions were made to arrive at the aforesaid valuation. In particular,*

*“...In the course of our work, we have held discussions with the Management of the company. We have also examined and relied on information provided by them*

*and reviewed other relevant publicly available information. We have not independently verified or sought the views of third party/industry specialists for all such information's provided or any representation or assurance made by them, whether written or verbal, accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information representation or assurance.....”*

*A perusal of the report shows that the free cash flow for equity was estimated arbitrarily. It is seen that the Valuers have taken future cash flow as certified by the management. The valuers have categorically stated about the inherent flaws, lapses, infirmities in the valuation under DCF method as under.*

*"We have not independently verified or sought the views of third party/industry specialists for all such information's provided or any representation or assurance made by them, whether written or verbal, accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information representation or assurance....."*

*The disclosure made by the valuers clearly show that the future free cash flows and other values were adopted arbitrarily to arrive the value of the shares at Rs.97 each. No verification of projections and/or assumptions adopted by management was made by the accountants, thereby producing a report which is inherently flawed.*

*As per the "Technical guide on share valuation" published by the Institute of Chartered Accountants of India, the discounted cash flow method is discussed from Page no. 5 to Page no. 11 wherein the three key pre-requisites (viz cash flow projections, discount rate and terminal value) are discussed. For proper and scientific*

*valuation of shares, several factors are to be considered as per the recommendations of the "Technical guide on share valuation" issued by ICA. However, these factors were not adequately considered by the valuers in their report. Though the Discounted Cash Flow model is one of the widely used models for valuation because of its inherent benefits, it still has its share of drawbacks. Thus it is imperative that the valuer should study and research and make an educated valuation of the shares. The key areas that require considerable attention are past performance, growth prospects, earnings, capacity, expansion etc. However, in the instant case the valuer has merely adopted the values provided by the management clearly ignoring past performance which is self-serving to say the least.*

*A perusal of the valuation report shows that future cash flows for next 5 years starting from 2016 were estimated without basis, at Rs. -12.31 crores, Rs.102.34 crores, Rs. 129.86 crores, Rs. 98.66 crores and Rs. 122.43 crores. It is observed that exorbitant estimated free cash flow was used in valuing shares by DCF method even when free cash flow for F.Y. 2015-16 was not even Rs. 1 crore. As per the report of valuer, free cash flow for F.Y. 2015-16 stands at Rs.(-) 12.31 crores. Therefore, it is clear that valuation made on the basis of unverified exorbitant cash flow given by management has resulted in inflated value of shares @ Rs. 97/-. Considering this, the valuation of shares done by Valuers as per DCF method is not reliable and should have been questioned by the AO, which was not done.*

*Moreover, as discussed above and on perusal of Valuation Report, it is further observed that the Valuers have given a long list of disclaimers in their report dated 23.03.2015 and from which it is clear that they have solely relied on the information/inputs furnished by the Management of the assessee company. In clause 4 of their report, it was admitted by the Valuers that they did not independently verify or seek the view of third party/industry specialists in this regard.*

*The long disclaimer qualified by the Valuers clearly establishes that no independent enquiry was caused to verify the truth or otherwise of the figures furnished by the assessee. In the assumption note, the Valuers stated that the future cash flow projections for five years have been prepared by the management based on their own assumption and the Valuers denied to have independently verified the same. It was further stated that free*

*cash flow growth projections have been assumed on managements' enthusiastic and optimistic view. Moreover, the valuers in their report has further stated that Discounting Rate has been assumed @ 13.35% in absence of scientific comparative financial data.*

*Having regard to the above discussed facts, it was found that the Valuers had solely relied upon assumed data without independent verification or veracity and completeness of information. Further, it was noted that no documentary evidence to substantiate basis of projections in cash flow was made part of valuation report nor were any produced by the assessee during the course of assessment proceedings. In view of the above facts, the Valuation report submitted suffers from grave infirmities and should not have been accepted.*

*The submissions made, case laws relied upon by assessee are only on the validity of DCF method.*

*The assessee failed to explain about abnormal/high free cash flows, higher discounting factor, etc. adopted with the intention of arriving at higher share value @ Rs. 97 per share. The assessee also failed to substantiate the correctness of the values/figures adopted for computation under DCF method.*

*9. For the above referred reasons and the facts on record, the assessment order made by the AO relying on the valuation report without conducting enquires/verification is erroneous and prejudicial to the interest of revenue. Accordingly, the assessment order u/s. 143(3) of the IT Act, 1961 dated 28.12.2017 is found to be erroneous in so far as it is prejudicial to the interest of revenue within the meaning of section 263 of the Income Tax Act, 1961.*

*10. For the above referred reasons and the facts on record, I deem it fit to cancel and set-aside the assessment order u/s 143(3) of the IT Act, 1961 for ASSESSMENT YEAR 2015-16 dated 28.12.2017, on the issue of valuation of shares as per DCF method at Rs. 97/- per share relying on the arbitrary values, figures etc information provided by the management of the company and without independently verifying the accuracy or completeness of such information or seeking the views of third party/ industry specialists for all such information provided.*

*Accordingly, the assessment order passed u/s. 143(3) of the I.T. Act, 1961 dated 28.12.2017 is cancelled and set-aside of with a*

*direction to the AO to frame the assessment denovo by making fresh enquiries and verification regarding the accuracy or completeness of such information provided by the management of the company for the purpose of valuation of the value of shares as per DCF method and finalise assessment in accordance with the provisions of law.*

*11. The AO shall afford proper and reasonable opportunity of being heard to the assessee before passing the appropriate order in order to meet the equity and ends of justice.*

4. Being aggrieved by the said order of the PCIT, the assessee has come in appeal before us.

5. It is pertinent to mention here that apart from contesting the validity of the impugned revision order passed by the ld. PCIT u/s 263 of the Act, the assessee has also moved an application for admission of additional ground of appeal to the effect that the impugned order of the PCIT was barred by limitation. However, we find that the ld. PCIT, himself, in the impugned order has referred to the Notification No.38 of 2020 dated 29.09.2020, whereby, on account of Covid 19 pandemic due date for completion of any proceeding or passing of any order or issuance of any notice, intimation, sanction, approval or such other action, by whatever name called, by any authority, commission or tribunal, has been extended upto 31<sup>st</sup> March 2021. Therefore, the date for impugned order passed u/s 263 of the Act was also got extended upto 31.03.2021. Therefore, the ld. counsel for the assessee has not pressed the additional ground. The additional ground is not admitted for adjudication as the same is not tenable in view of the extended time limit notified by the Government under the Taxation and Other Laws (Relaxation of Certain Provisions) Act 2020 and also being not pressed by the ld. AR of the assessee.

6. Now, coming to the merits of the case. We have heard the rival contentions of the parties and also gone through the record. The main contention of the ld. counsel for the assessee has been that the accountant/valuer was expert in the field and it was not open to the Assessing Officer or to the PCIT and even to this Tribunal to go into the question of the correctness of the report of the expert. The ld. counsel in this respect has relied upon the following case laws:

i) CIT vs. Sun Engineering Works Pvt. Ltd. [1992] 198 ITR 297 (SC) dated 17.09.1992

ii) CIT vs. L F D Silva [1991] 192 ITR 547 (Kar) dated 27.09.1991

iii) PCIT vs. Cinestaan Entertainment Pvt. Ltd. [2021] 433 ITR 82 (Delhi) dated 01.03.2021

7. Apart from that, the ld. counsel has submitted that the accountant has given valuation following the ICAI guidelines and following one of the recognised method i.e. discounted cash flow method. He has also submitted that the valuer has given only future projections which due to certain factors may not actually give the projected results. That the valuation was an art and not an exact science and it was passed only on estimated future projections. That the Assessing Officer cannot question the valuation undertaken by the company. That, therefore, the order of the Assessing Officer was neither erroneous nor prejudicial to the interest of the Revenue. He has further submitted that even the ld. PCIT has exceeded his jurisdiction in going to the question of correctness of the valuer's report as the same was in the domain of the expert/accountant only.

8. The ld. DR, on the other hand, has submitted that the Assessing Officer has jurisdiction to go into the correctness of the report of the

valuer. That though the assessee, for valuation of shares has the option to choose for having a valuation done by an accountant by Discounted Cash Flow Method as provided in Rule 11UA(2) of the Income Tax Rules. However, the valuation report prepared by the accountant is not sacrosanct and the Assessing Officer has the power to enquire and question the basic assessment made by the valuer. He has also relied upon the following cash laws in this respect:

- 1. 134 taxmann.com 223 (Mumbai ITAT) DCIT 6(2)(1) Mumbai vs. Creditalpha Alternative Advisors P Ltd, decision dated 19-01-2022*
- 2. 117 taxmann.com 567 (Bangalore ITAT) Flutura Business Solutions P Ltd. vs ITO 3(1)(1) Bengaluru, decision dated 30-06-2020*
- 3. 120 taxmann.com 238 (Bangalore ITAT) Valencia Nutrition Ltd vs DCIT 7(1)(2) Bengaluru, decision dated 09-10-2020*

The Id. DR has further brought our attention to certain disclaimers made by the accountant in his valuation report viz. *“We have not independently verified or sought the views of third party industry specialists for all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance.....”*

He therefore has submitted that there was no basis given by the accountant of future annual growth of 5.5% or the weighted average cost of capital determined at 13.35%. That even information provided by the management or assurances given by the management were not made part of the report which raises a serious question about the correctness of the report. That the guidance issued by the ICAI on estimation of future cash flows and discount rates for the purpose of

AS 28 has not been properly followed. That as per para 12 and 18 and 23 of the guidance note, the historical data of the company has not been considered. That even the industry reports have not been considered independently. That the accountant solely relied fully on the information provided by the management. Even the similar data of competitors has not been considered. That under the above mentioned circumstances, the ld. PCIT has rightly exercised his option to direct the Assessing Officer to make enquiry on the issue by passing the order u/s 263 of the Act. The ld. DR without prejudice to the above argument has also submitted that even the valuer in his report has mentioned the value at Rs.97/-, whereas, the assessee has sold the shares at Rs.100/- and under these circumstances, the Assessing Officer otherwise was supposed to add the difference of Rs.3/- per share. Therefore, on the face of it, the addition of Rs.2,70,27,000/- even otherwise was warranted u/s 56(2)(viib) of the Act.

9. We have considered the rival submissions and gone through the record. A perusal of the above reproduced concluding part of the order of the PCIT would reveal that the ld. PCIT has considered various discrepancies in the valuation report given by the accountant. The assessee neither before the ld. PCIT nor before us could rebut the discrepancies pointed out by the PCIT and as reiterated by the ld. DR, as noted above. The only contention made by the ld. counsel for the assessee was that the ld. PCIT or this Tribunal was no jurisdiction to go into the correctness of the report of the accountant who was expert in that field. As noted above to support the above contention, the ld. counsel has relied upon certain case laws.

We have gone through the case laws relied by the ld. counsel and found that the case laws relied upon by the ld. counsel, in fact, do not

support the case of the assessee, rather, the aforesaid case laws lay down the proposition in favour of the revenue holding that the Assessing Officer or the Id. PCIT can go into the question of the correctness of the report of the accountant.

10. In the case of the CIT vs. L F D Silva (supra), the issue before the Hon'ble Karnataka High Court was of the power of the Tribunal to substitute its own reasoning replacing the reasoning given by the Id. PCIT for exercise of revision jurisdiction u/s 263 of the Act. The Hon'ble Karnataka High Court goes on to hold that the Tribunal cannot alter the basis for initiation of revision proceedings. The question as to whether the Assessing Officer or the PCIT can go into the correctness of the report of the accountant/valuer was neither any issue nor any discussion made in this respect in the aforesaid decision of the Hon'ble Karnataka High Court. We note that in the case in hand, the Id. DR has not substituted his own views with that of the Id. PCIT, rather, in this case, the PCIT has himself discussed the various discrepancies in the report of the valuer and thereby directing the Assessing Officer to make enquiries regarding the correctness of the report and thereafter to pass the assessment order afresh.

The another decision of the Hon'ble Delhi High Court cited by the Id. counsel for the assessee is in the case of PCIT vs. Cinestaan Entertainment Pvt. Ltd. (supra). We find that the Hon'ble Delhi High Court in the said decision has made the following observation:

*“13. From the aforesaid extract of the impugned order, it becomes clear that the learned ITAT has followed the dicta of the Hon'ble Supreme Court in matters relating to the commercial prudence of an assessee relating to valuation of an asset. **The law requires determination of fair market values as per prescribed methodology. The Appellant-Revenue had the option to conduct its own valuation and determine FMV on the basis of either the DCF or NAV***

**Method.** *The Respondent-Assessee being a start-up company adopted DCF method to value its shares. This was carried out on the basis of information and material available on the date of valuation and projection of future revenue. There is no dispute that methodology adopted by the Respondent-Assessee has been done applying a recognized and accepted method. Since the performance did not match the projections, Revenue sought to challenge the valuation, on that footing. This approach lacks Signature Not Verified Digitally Signed By:SAPNA SETHI Signing Date:05.03.2021 15:45 material foundation and is irrational since the valuation is intrinsically based on projections which can be affected by various factors. We cannot lose sight of the fact that the valuer makes forecast or approximation, based on potential value of business. However, the underline facts and assumptions can undergo change over a period of time. The Courts have repeatedly held that valuation is not an exact science, and therefore cannot be done with arithmetic precision. It is a technical and complex problem which can be appropriately left to the consideration and wisdom of experts in the field of accountancy, having regard to the imponderables which enter the process of valuation of shares. **The Appellant-Revenue is unable to demonstrate that the methodology adopted by the Respondent-Assessee is not correct.** The AO has simply rejected the valuation of the Respondent-Assessee and failed to provide any alternate fair value of shares. Furthermore, as noted in the impugned order and as also pointed out by Mr. Vohra, the shares in the present scenario have not been subscribed to by any sister concern or closely related person, but by outside investors. Indeed, if they have seen certain potential and accepted this valuation, then Appellant-Revenue cannot question their wisdom. The valuation is a question of fact which would depend upon appreciation of material or evidence. The methodology adopted by the Respondent-Assessee, accepted by the learned ITAT, is a conclusion of fact drawn on the basis of material and facts available. The test laid down by the Courts for interfering with the findings of a valuer is not satisfied in the present case, as the Respondent-Assessee adopted a recognized method of valuation and **the appellant-Revenue is unable to show that the assessee adopted a demonstrably wrong approach, or that the method of valuation was made on a wholly erroneous basis, or that it committed a mistake which goes to the root of the valuation process.***

*(Emphasis supplied by us)*

A perusal of the above observation of the Hon'ble Delhi High Court would reveal that in the facts and circumstances of that case, the Hon'ble Delhi Court has given its decision in favour of the assessee

holding that the Revenue was unable to show that the assessee adopted a demonstrably wrong approach or that the method of valuation was made on a wholly erroneous basis or that it committed a mistake which goes to the root of the valuation process. The above observation would show that the Hon'ble Delhi High Court has recognised the proposition of law that the revenue can go into the question of the correctness of the report of the accountant and the revenue could demonstrate about the flaws in the report. It is, therefore, open to the Assessing Officer to go into the correctness of the report to point out that the same was an erroneous for the reason as may be pointed out by him.

Another decision of Bombay High Court relied upon by the ld. counsel for the assessee is in the case of Vodafone M-Pesa Ltd. vs. PCIT (supra), the Hon'ble Bombay High Court in para 8 of the said order has made the following observation:

*"8. We note that, the Commissioner of Income Tax in the impugned order dated 23rd February, 2018 does not deal with the primary grievance of the petitioner. This, even after he concedes with the method of valuation namely, NA V Method or the DCF Method to determine the fair market value of shares has to be done / adopted at the Assessee's option. Nevertheless, he does not deal with the change in the method of valuation by the Assessing Officer which has resulted in the demand. **There is certainly no immunity from scrutiny of the valuation report submitted by the Assessee. Therefore, the Assessing Officer is undoubtedly entitled to scrutinise the valuation report and determine afresh valuation either by himself or by calling for a final determination from an independent valuer to confront the petitioner.** However, the basis has to be the DGF Method and it is not open to him to change the method of valuation which has been opted for by the Assessee. If Mr. Mohanty is correct in his submission that a part of demand arising out of the assessment order dated 2P' December, 2017 would on adoption of DCF Method will be sustained in part, the same is without working out the figures. This was an exercise which ought to have been done by him. In fact, he has completely disregarded the DCF Method for arriving at the fair market value. Therefore, the demand in the facts need to be stayed."*

*(Emphasis supplied by us)*

A perusal of the above observation made by the Hon'ble Bombay High Court would reveal that the Hon'ble Bombay High Court has categorically held that there is no immunity from scrutiny of the valuation report submitted by the assessee and the Assessing Officer is undoubtedly entitled to scrutinise the valuation report and determine a fresh valuation either by himself or by calling for a final determination from an independent valuer to confront the petitioner.

In view of the above, it can be safely held that the Assessing Officer can go into the correctness of the report of the valuer and scrutinise the valuation report.

11. So far as the contention of the ld. counsel for the assessee that valuation is not an exact science but is an art, we do not agree with the above contention of the ld. AR. The ICAI has laid guidelines for such valuation reports and certain scientific methods have been prescribed to arrive at such a valuation report. No doubt such valuation is the future projections which may not actually fruitify as pointed out by the valuer due to various factors. However, such future projections are to be based on certain data, information and analysis as per the prescribed guidelines and scientific method. It is not an art which is limited to certain personal skill of an artist, rather, the valuation is to be given on the basis of certain material and data and following certain principles and guidelines. In this case, the ld. PCIT has pointed out various discrepancies as noted above, which the assessee has failed to rebut and however, the Assessing Officer did not make required enquiries to go into the question of the valuation given by the accountant for the purpose of assessment of the income of the assessee as per the provisions of section 56(2)(viib) of the Act.

Therefore, the ld. PCIT rightly held that the order of the Assessing Officer was erroneous and prejudicial to the interest of the revenue. We accordingly upheld the order of the ld. PCIT and further direct the Assessing Officer that the Assessing Officer will make the enquiries as directed by the ld. PCIT regarding the correctness of the valuation report of the accountant, may call for an independent report from an expert to confront the assessee and thereafter to pass a speaking order in accordance with law.

12. In the result, the appeal of the assessee stands dismissed.

***Kolkata, the 18<sup>th</sup> May, 2023.***

Sd/-  
[गिरीश अग्रवाल /Girish Agrawal]  
लेखा सदस्य/Accountant Member

Sd/-  
[संजय गर्ग /Sanjay Garg]  
न्यायिक सदस्य/Judicial Member

Dated: 18.05.2023.

RS

*Copy of the order forwarded to:*

1. SIS Prosegur Holdings Pvt. Ltd
2. PCIT-1, Patna
3. CIT  
(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches