

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"A" BENCH : BANGALORE**

**BEFORE SHRI GEORGE GEORGE K, VICE PRESIDENT  
AND SHRI WASEEM AHMED, ACCOUNTANT MEMBER**

ITA No.535/Bang/2024
Assessment Years : 2016-17

Sharanabasaweshwar Vidya Vardhak Sangha, V Sudhindranath, No.51/7/1, Chitrakoot, Ratna Avenue, Richmond Road, Bangalore - 560 025.  <b>PAN – AADTS 1648 B</b>	Vs.	The Dy./Asst. Commissioner of Income Tax, CIR 1, Mangalore.
APPELLANT		RESPONDENT

Assessee by	:	Shri Deepesh Wagle, C.A
Revenue by	:	Shri Pradeep Shourya Arya, CIT (DR)

Date of hearing	:	12.06.2024
Date of Pronouncement	:	22.07.2024

**ORDER**

**PER WASEEM AHMED, ACCOUNTANT MEMBER:**

This is an appeal filed by the assessee against the order passed by the NFAC, Delhi dated 24/01/2024 in DIN No. ITBA/NFAC/S/250/2023-24/1060060366(1) for the assessment year 2016-17.

2. The interconnected issue raised by the assessee is that the ld. CIT(A) erred in confirming the order of the AO by denying the exemption u/s 11 of the Act to the extent of Rs. 21,00,33,000/- representing the payment made to the person specified u/s 13(3) of the Act.

3. The assessee in the present case is a trust and registered u/s 12AA and 80G(5)(vi) of the Act. The assessee in the year under consideration has purchased a land measuring to 61 acres and 21 Guntas from the president of the trust dated 21/03/2015. On enquiry about the value of the land purchased by the assessee from the land revenue authorities, the AO found that the guidance value of the land purchased by the assessee is much less than the rate at which it was purchased. Accordingly, the AO was of the view that the provisions of sub sec. 13(1)© r.w.s. 13(3) of the Act have been violated. Thus, the AO denied exemption claimed by the assessee u/s 11 of the Act to the extent of purchase of the property at Rs. 21,00,33,000/- and added to the total income of the assessee. On appeal, the Id. CIT(A) upheld the finding of the AO.

4. Being aggrieved by the order of the Id. CIT(A), the assessee is before us.

5. The Id. AR before us filed 3 pages written submissions contending that the land in dispute was non-agricultural land, which has been compared with the guidance value of the agricultural land. As per the Id. AR, the transaction between the assessee and its trustee was carried out as per the guidance value fixed by the revenue authorities. Therefore, the land in question was purchased by the assessee at fair market value and consequentially the benefit u/s 11(1) of the Act cannot be denied. Further, the Id. AR requested that the matter be restored to the file of the AO for fresh verification as per the provisions of the law.

6. On the other hand, the Id. DR vehemently supported the order of the authorities below.

7. We have heard the rival contentions of both the parties and perused the materials available on record. In the present case, the allegation of the revenue is that the assessee has purchased the property less than the guidance value whereas the assessee claimed to have purchased land being non agricultural at the guidance value only. According to the Id. AR, the guidance value adopted by the revenue was applicable in the case of agricultural land, whereas the land in dispute is non-agricultural land and consequentially the difference in the value of the property has arisen. In our considered view, the issue on hand needs verification by the AO whether the land in dispute purchased by the assessee was at the guidance value and if yes, then no addition is warranted. Accordingly, in the interest of justice and fair play, we set aside the issue to the file of the AO for fresh adjudication as per the provisions of law. Hence, this ground of appeal of the assessee is hereby allowed for statistical purposes.

8. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in court on 22<sup>nd</sup> day of July, 2024

Sd/-

**(GEORGE GEORGE K)**

Vice President

Bangalore,

Dated, 22<sup>nd</sup> July, 2024

Sd/-

**(WASEEM AHMED)**

Accountant Member

vms

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore