

आयकर अपीलिय अधिकरण, 'बी' न्यायपीठ, चेन्नई  
IN THE INCOME-TAX APPELLATE TRIBUNAL 'B' BENCH, CHENNAI  
श्री एसएस विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री एस.आर. रगुनाथा, लेखा सदस्य के समक्ष  
Before Shri S.S. Viswanethra Ravi, Judicial Member &  
Shri S.R. Raghunatha, Accountant Member

आयकर अपील सं./I.T.A. No.576/Chny/2024  
निर्धारण वर्ष/Assessment Year: 2014-15

The Income Tax Officer,  
Corporate Ward - 4(3),  
Chennai.

Vs. LSR Properties India Private Limited,  
4/60, 9<sup>th</sup> Floor, Kuppu Arcade,  
Venkatanarayana Road, T. Nagar,  
Chennai 600 017.

**[PAN: AABCL8116E]**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Smt. Gouthami Manivasagam, JCIT  
प्रत्यर्थी की ओर से/Respondent by : None  
सुनवाई की तारीख/ Date of hearing : 26.08.2024  
घोषणा की तारीख /Date of Pronouncement : 28.08.2024

**आदेश /O R D E R**

**PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:**

This appeal filed by the Revenue is directed against the order dated 19.01.2024 passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi for the assessment year 2014-15.

2. We find no representation on behalf of the assessee nor any application filed seeking adjournment. Thus, the assessee called absent

and treated *ex parte*. We proceed to decide the appeal on merits after hearing the Id. DR basing on the material available on record.

3. The Revenue raised 3 grounds of appeal amongst which the only issue emanates for our consideration is as to whether the Id. CIT(A) justified in deleting the addition made by the Assessing Officer in the facts and circumstances of the case.

4. At the outset, we note that regarding ground No. 1, there was no discrepancy as observed by the Assessing Officer, that is the only mistake in mentioning the bank name as Indian Overseas Bank instead of Vijaya Bank. The Id. CIT(A) discussed the same in para 7.1 in the impugned order, wherein, held, that it was a mistake that in the sale deed the payments were made through ING Vysya Bank was mentioned. The relevant portion in para 7.1 are reproduced herein below:

*“7.1 The addition of ₹.7,00,000 was made on account of the discrepancy in the bank account details found mentioned in the sale deed vis a vis the explanation given for sources. The quantum of payment does not differ but the bank details and the dates in two instances mentioned in the bank statement did not match. Appellant produced the copy of the statement of the bank accounts that it was a mistake, however the quantum paid was the same that too through banking channel. The AO in the report did not agree with the explanation given by the appellant. On careful consideration, it is clear that the impugned addition does not have legs to stand as the appellant has produced the necessary documentation explaining that it was a mistake that in the sale deed the payments were through RTGS ING Vysya Bank.*

5. Perusal of the above with regard to the submissions, which is reproduced in page 3 of the impugned order, we find no infirmity in the order in giving relief to the assessee in deleting the addition of ₹.7,00,000/- by stating that it was by mistake, mentioned as ING Vysya bank. Accordingly, ground No. 2 raised by the Revenue is dismissed.

6. Ground No. 3 raised by the Revenue in challenging the action of the Id. CIT(A) in deleting the addition made by the Assessing Officer on account of purchase of immovable property in the facts and circumstances of the case.

7. According to the Assessing Officer, the assessee purchased immovable property at Trichy for a consideration of ₹.2,30,04,450/- on 14.11.2013. A show-cause notice was issued to the assessee to file the details of source for purchase of immovable property. Having no explanation received, the Assessing Officer added the amount of ₹.2,30,04,450/- to the total income of the assessee. Before the Id. CIT(A), a detailed explanation was given, which is reproduced in page 6 of the impugned order. Considering the same, the Id. CIT(A) has given relief by satisfying with the explanation offered by the assessee. The relevant part in para 7.2 are reproduced herein below:

*“7.2 Regarding the purchase of property by the appellant from the directors, the public document viz., conveyance deed mentions that the consideration to be paid to the sellers were to be treated as share application money pending allotment and therefore did not involve any fund flow. The grievance of the AO in the remand report that the shares were not allotted is of no consequence that would warrant an addition in the hands of the company as income from unexplained sources.*

*The impugned addition is directed to be deleted.”*

8. On examination of the explanations offered by the assessee before the Id. CIT(A) that Mrs. Sailakshmi Ramji and Shri J.N. Ramji are Directors of the company, which is 100% owned by them and transferred land owned by them to the assessee. The said property was valued as per sale deed at ₹.2,30,04,450/-. It clearly establishes the agreement with the assessee was that the said amount shall be treated as loan by the company to the directors which may be used in future for issuing share capital.

9. We note that the assessee has not made any sale consideration by way of any fund transfer and it was explained that the consideration to be paid to the sellers were to be treated as share application money pending allotment. The Id. CIT(A), considering the same, held that the addition made by the Assessing Officer is not maintainable as pending share allotment is of no consequence that would warrant addition in the hands of the assessee as income from unexplained sources. We find

no contrary material brought on record by the Revenue against the explanations offered by the assessee before the Id. CIT(A). Therefore, we find no infirmity in the order passed by the Id. CIT(A) and it is justified. Thus, ground No. 3 raised by the Revenue fails and the same is dismissed.

10. In the result, the appeal filed by the Revenue is dismissed.

Order pronounced on 28<sup>th</sup> August, 2024 at Chennai.

Sd/-  
(S.R. RAGHUNATHA)  
ACCOUNTANT MEMBER

Sd/-  
(S.S. VISWANETHRA RAVI)  
JUDICIAL MEMBER

Chennai, Dated, 28.08.2024

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant,
2. प्रत्यर्थी/ Respondent,
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR &
5. गार्ड फाईल/GF.