

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़  
IN THE INCOME TAX APPELLATE TRIBUNAL  
DIVISION BENCH, 'SMC', CHANDIGARH

BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER

आयकर अपील सं./ ITA No. 529/CHD/2024

निर्धारण वर्ष / Assessment Year : 2017-18

Jatinder Kumar Singla, House No. 2238, Sector 38-C, Chandigarh	बनाम	The ITO, Chandigarh
स्थायी लेखा सं./PAN NO: ANEPS7697G		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

( Physical Hearing )

निर्धारिती की ओर से/Assessee by : None

राजस्व की ओर से/ Revenue by : Shri Vivek Vardhan, JCIT

सुनवाई की तारीख/Date of Hearing : 11.11.2024

उदघोषणा की तारीख/Date of Pronouncement : 03.12.2024

**आदेश/Order**

The present appeal has been preferred by the assessee against the order dated 26.03.2024 passed by the Ld. Addl. / JCIT (A)-2, Coimbatore [hereinafter referred to as 'Addl. CIT(A)'], for the Assessment Year 2017-18.

2. The Assessee is aggrieved by the action of the ld. CIT(A) in upholding the disallowance of Rs. 5,92,409/- being 10% of the amount

claimed by the Assessee as cost of improvement of property while claiming Long Term Capital Gain.

3. None appeared on behalf of the Assessee despite notice. I, therefore, proceed to decide the appeal on merits after hearing the Id. DR and going through the record.

4. In this appeal the issue is relating to the cost of improvement claimed by the Assessee for the purpose of calculation of the cost of acquisition for computing capital gains on the sale of property. A perusal of the relevant para 10 of the assessment order would reveal that the Assessing Officer had taken into consideration the Certificate of architect for the purpose of valuation of additional construction work and has also observed the same is to be taken as genuine. However, he has disallowed 10% of the cost of improvement on adhoc basis. This action of the Assessing Officer in my view, is not based on any plausible reason. Therefore, the impugned addition is ordered to be deleted.

5. The appeal of the Assessee stands allowed.

In the result, appeal of the Assessee is allowed.

Order pronounced on 03.12.2024.

Sd/-  
**(SANJAY GARG)**  
**Judicial Member**

“आर.के.”

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त/ CIT
4. विभागीयप्रतिनिधि, आयकरअपीलीयआधिकरण, चण्डीगढ़/ DR, ITAT,  
CHANDIGARH
5. गार्डफाईल/ Guard File

आदेशानुसार/ By order,  
सहायकपंजीकार/ Assistant Registrar