

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई  
IN THE INCOME-TAX APPELLATE TRIBUNAL 'A' BENCH, CHENNAI  
श्री एस.एस. विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री रत्नेश नंदन सहाय, लेखा सदस्य के समक्ष  
Before Shri S.S. Viswanethra Ravi, Judicial Member &  
Shri Ratnesh Nandan Sahay, Accountant Member

आयकर अपील सं./I.T.A. No.1961/Chny/2025  
निर्धारण वर्ष/Assessment Year: 2013-14

Tiruchangodu Sengodagounder  
Ramasamy Khannaiyann,  
67, Avarampalayam Road, K.R. Puram,  
Coimbatore 641 006.

Vs. The Deputy Commissioner of  
Income Tax,  
Central Circle 1,  
Coimbatore.

**[PAN:AFZPK7832C]**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri S. Dharshan Bothra, Advocate  
प्रत्यर्थी की ओर से/Respondent by : Ms. E. Pavuna Sundari, Addl. CIT  
सुनवाई की तारीख/ Date of hearing : 17.09.2025  
घोषणा की तारीख /Date of Pronouncement : 22.10.2025

**आदेश /O R D E R**

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

This appeal filed by the assessee is directed against the order dated 26.02.2025 passed by the Id. Commissioner of Income Tax (Appeals) 20, Chennai, for the assessment year 2013-14.

2. We find that this appeal is filed with a delay of 72 days. The assessee filed an affidavit for condonation of delay stating the reasons. Upon hearing both the parties and on examination of the said affidavit, we find the reasons stated by the assessee are bonafide, which really

prevented in filing the appeal in time. Thus, the delay is condoned and admitted the appeal for adjudication.

3. The assessee raised 2 grounds challenging the action of the Id. CIT(A) having concluded that the gains from sale of land is to be taxed under the head capital gains, ought to have held the same income, which was subsequently reclassified as business income under section 153A of the Income Tax Act, 1961 ["Act" in short] is also arising out of capital gains in the facts and circumstances of the case.

4. At the outset, we note that there was a search operation under section 132 of the Act on 06.03.2019 in the group case of M/s. Hindusthan Educational and Charitable Trust, wherein, the assessee is Chairman/Managing Trustee. We note that the assessee had offered long term capital gains in the original return of income, which was reclassified as business income by the Assessing Officer in the order passed under section 143(3) r.w.s. 147 of the Act dated 31.12.2018. We further note that upon initiating proceedings under section 153A of the Act, consequent upon search, the Assessing Officer completed the assessment under section 153A of the Act dated 10.08.2021 without making addition, but, however, the income under capital gains, which

was reclassified as business income vide his order dated 31.12.2018 effectively stands, against which, the assessee preferred an appeal before the Id. CIT(A). Since, the appeal filed against the order under section 143(3) r.w.s. 147 of the Act has been adjudicated vide his order dated 26.02.2025, the Id. CIT(A) treated the appeal filed against the order passed under section 153A of the Act as infructuous and dismissed.

5. The Id. AR Shri S. Dharshan Bothra, Advocate submits that the Id. CIT(A), vide his order dated 26.02.2025 for AY 2013-14, having concluded that the gains from sale of land is to be taxed under the head capital gains and not under the head profits and gains from business or profession against the assessment order passed under section 143(3) r.w.s. 147 of the Act dated 31.12.2018, erred in dismissing the appeal of the assessee as infructuous against the reclassification of income of the assessee as business income, though no addition was made in the assessment order passed under section 153A of the Act and prayed that the Id. CIT(A) should have retained same stand as taken against scrutiny assessment.

6. The Id. DR Ms. E. Pavuna Sundari, Addl. CIT supported the order passed by the Id. CIT(A).

7. We have heard both the parties and perused the material available on record. We note that the Assessing Officer completed the assessment for the year under consideration under section 143 r.w.s.147 dated 31.12.2018 and concluded that the gains from sale of land is to be taxed under the head “profits and gains from business or profession”. Further, consequent upon the search, the Assessing Officer concluded the assessment order under section 153A of the Act dated 10.08.2021, wherein, even though no addition was made, the Assessing Officer retained the classification of assessee’s income as income from business.

8. On perusal of the 1<sup>st</sup> appellate order dated 26.02.2025 passed against assessment order under section 143(3) r.w.s. 147 of the Act, brought on record in the form of paper book, we note that the Id. CIT(A), vide para 6.1.3, by placing reliance on the order of ITAT in assessee’s own case for AYs 2011-12 & 2009-10, held the income of the assessee arising out of sale transaction under the head “capital gain” and not business income.

9. On perusal of the impugned order passed against the order under section 153A of the Act, we note that the Id. CIT(A) observed the issue appealed has been adjudicated on merits in the order under section

143(3) r.w.s. 147 of the Act and the issues in the appeal filed against the order under section 153A of the Act becomes infructuous and dismissed, in our opinion, is justified, as we find, against the reclassification of income of the assessee as business income in the assessment order passed under section 153A of the Act, is no more *res integra*, as the Id. CIT(A) already held that the income of the assessee should be taxed under the head capital gains, but, not under the head profits and gains from business or profession against the assessment order passed under section 143(3) r.w.s. 147 of the Act. Therefore, we find no force in the submissions of the Id. AR that the Id. CIT(A) should have retained his stand towards reclassification of income as income should be taxed under the head “capital gain” only, instead of treating the appeal filed by the assessee as infructuous in the impugned order passed against the assessment order under section 153A of the Act. We find the definition of “infructuous” means that there is no necessity in adjudicating the issue again since the same issue has been adjudicated in another proceedings, thereby, the Id. CIT(A) opined that no purpose would serve in adjudicating the same in the impugned proceedings under section 153A of the Act since the same identical issue attained its finality before the ITAT, accordingly, held the issue in the present proceedings become infructuous and dismissed the appeal of the assessee. Therefore, we find

no infirmity in the order of the Id. CIT(A) in holding the issue in the present appeal become infructuous and it is justified. However, we make it clear that the gains from sale of land is to be taxed under the head capital gains only, since the issue attained finality before the ITAT. Thus, the grounds raised by the assessee are dismissed.

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

Order pronounced on 22<sup>nd</sup> October, 2025 at Chennai.

Sd/-  
(RATNESH NANDAN SAHAY)  
ACCOUNTANT MEMBER

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

Chennai, Dated, 22.10.2025

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.