

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"C" BENCH, AHMEDABAD**

**BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT  
Ms SUCHITRA KMBLE, JUDICIAL MEMBER**

I.T.A. No.314/Ahd/2026  
(Assessment Year: 2020-2021)

Suresh Natvarlal Zinzuwadia, 1 Akshar House, Radhakrishna Park, Park Cross Road, Akota, Vadodara-390020  [PAN :AABPZ4887 F]	Vs.	The Deputy Commissioner of Income Tax, Circle-2(1)(1), Vadodara.
<b>(Appellant)</b>	..	<b>(Respondent)</b>

<b>Appellant by :</b>	Ms Rangoli Gada, AR
<b>Respondent by:</b>	Shri Abhijit, Sr. DR
<b>Date of Hearing</b>	02.03.2026
<b>Date of Pronouncement</b>	09.03.2026

**ORDER**

**PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-**

This appeal is filed by the Assessee against the appellate order dated 06.12.2025 passed by the Commissioner of Income Tax(Appeal) Kochi, relating to the Assessment Year 2020-2021.

2. The assessee has raised the following grounds of appeal:

*1. The learned CIT(A) erred in confirming intimation u/s 143(1) wherein CPC wrongly computed LTTCG u/s 112A by taxing the entire sale proceeds without allowing cost of acquisition.*

*2. The adjustment is illegal as the proposed notice u/s 143(1)(a) was only for Chapter VI-A deduction and not for capital gains; hence LTTCG adjustment is beyond scope and void.*

*3. The CIT(A) failed to consider that cost of acquisition adopted by appellant was fully supported by broker statement and not disputed in remand report.*

*4. The issue is a clear mistake apparent from record, rectifiable u/s 154, and addition deserves deletion.*

*5. The appellant prays for deletion of impugned addition and acceptance of LTCG as declared in return.*

*The appellant craves leave to add, amend, modify, or withdraw any ground of appeal before or at the time of hearing.*

3. The facts of the case are that assessee filed the Return of Income for A.Y. 2020-21 declaring Long Term Capital Gain (LTCG) u/s 112A on sale of equity oriented mutual funds, adopting cost of acquisition as per broker capital gain statement. CPC while processing the return u/s 143(1) wrongly ignored the cost of acquisition and treated the entire sale consideration as capital gain, resulting in an addition of Rs.2,27,86,678/-. The proposed adjustment notice dated 25.10.2021 issued u/s 143(1)(a) was not related to capital gains, but was only regarding Chapter VI-A deductions, hence no opportunity was given for LTCG adjustment. The appellant filed rectification u/s 154, but the same was rejected by CPC. Appeal before CIT(A) was dismissed. In remand proceedings, the AO made no adverse comment on cost of acquisition, and there was no difference with broker report, but CIT(A) ignored this and dismissed appeal alleging "discrepancies".

4. At the outset, we note that the entire sale proceeds were treated as capital gain without considering the cost of acquisition. The Jurisdictional Assessing Officer is hereby directed to consider the cost of acquisition as claimed by the assessee and recompute the long-term capital gain in

- 3-

accordance with the provisions of the Income Tax Act. The matter is accordingly **remitted to the Assessing Officer.**

5. In the result, the appeal of the assessee is allowed for statistical purposes.

**The order is pronounced in the open Court on 09.03.2026.**

**Sd/-  
(SUCHITRA KAMBLE)  
JUDICIAL MEMBER**

**Sd/-  
(DR. B.R.R. KUMAR)  
VICE-PRESIDENT**

Ahmedabad; Dated (True Copy) 09.03.2026  
MV

**आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

**आदेशानुसार / BY ORDER,**

**सहायक पंजीकार (Dy./Asstt. Registrar)  
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad**