IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES "A" : HYDERABAD

BEFORE SHRI B. RAMAKOTAIAH, ACCOUNTANT MEMBER
AND
SMT. ASHA VIJAYARAGHAVAN, JUDICAL MEMBER

ITA.No.1803/Hyd/2013
Assessment Year 2007-2008

G.K. Properties Pvt. Limited, Secunderabad. PAN AAACG7448K (Appellant)	vs.	The Income Tax Officer Ward 2 (2) Hyderabad (Respondent)

For Assessee : Mr. I. Rama Rao
For Revenue : Mr. Kiran Katta

Date of Hearing : 05.08.2014
Date of Pronouncement : 16.09.2014

ORDER

PER B. RAMAKOTAIAH, A.M.

This appeal by assessee is directed against the order of the Ld. CIT(A)-III, Hyderabad dated 8th October, 2013 confirming penalty under section 271(1)(c) levied by the A.O. to an extent of Rs.23,22,615 on the reason of furnishing of inaccurate particulars.

2. Briefly stated, assessee is a company engaged in the business of real estate, construction of residential and commercial complexes leasing and trading in shares and securities and also leasing agricultural land. While completing the assessment under section 143(3) assessee's claim of exemption of capital gains on sale of agricultural lands of Rs.69,00,224 was negatived by the A.O. on the reason that assessee is indulging in 'adventure in the

nature of trade' in purchase and sale of agricultural lands and accordingly, the exemption claimed under capital gains was negatived and the amount of profit was brought to tax as business income. This order of Assessing Officer was ultimately upheld by the ITAT vide order dated 31.08.2012 in ITA.No.287/Hyd/2011 in assessee's own case. Consequent to that, A.O. levied penalty at Rs.23,22,615 for furnishing inaccurate particulars of income vide order dated 27.03.2012.

3. Before the Ld. CIT(A) assessee *inter alia* contended that assessee was under bona-fide impression that the income earned is agricultural income. It further supported that all the relevant facts and details have been placed on record and nothing has been discovered by the A.O. from any outside source. It was also further stated that assessee has purchased agricultural lands long back, shown them as assets and by sale of agricultural lands capital gains is exempt under provisions of section 2(14). It was further submitted that A.O. have accepted the lease income of agricultural lands and further no wealth tax was levied in earlier years accepting assessee's agricultural holdings as such. Assessee also furnished a certificate from Tahsildar, Shameerpet Mandal dated 24.12.2009 indicating that even the subsequent purchasers also were carrying on agricultural operations and the land was not covered by Urban Land Ceiling Act or converted into non-agricultural nature. The certificate issued also certifies that the lands are available in Turkapalli village which was not covered by any municipality of Ranga Reddy District. For these reasons, it was submitted that assessee was under bonafide impression that the lands sold are agricultural lands and the income thereon was exempt from tax. Ld. CIT(A) however, did not agree with the contentions and confirmed the penalty by stating as under :

"5.2 I have seen carefully the facts and evidence and I have also gone through the orders of the honourable CIT(A) as well as the honourable ITAT Hyderabad with respect to the quantum. Whereas, there is no doubt about the fact that a purely debatable issue wherein opinion differs on the legal treatment, penalty for concealment is generally not levied. However, there cannot be any hard and fast pronouncements on the issue and for the levy of penalty, the overall conduct of the appellant has essentially to be examined.

5.3 The appellant company was incorporated as a private limited company with the main object clause as per the memorandum of association clearly stating that the company was formed to do and to be in the business of real estate. The relevant clause is reproduced below :-

> *" To do and be in Real Estate business and for the purpose by, sell, take early is given on lease or on licenses, maintain, develop, demolish, alter construct, build and turn to account any land or buildings owned or a quiet or leased by the company or in which the company may be interested as owners, lessers, lessees, licensors, licensees, architects, builders, interior decorators and designers, as when does, contractors, property developers, and real estate owners and agents whether such land or building was a development thereof be four or in respect of residential or commercial purposes such as multi-storeyed buildings, complexes, houses, flats, offices, shops, grudges, cinemas, theatres, hotels, restaurants, motels or other structures of whatsoever description including prefabricated and Precast houses, buildings, and erections and to enter into contracts, sub contracts, and arrangements including the raising of finances from whatsoever sources and giving of loans and advances to give effect and implement the said objects."*

5.4 It is very clear from above that the appellant company was formed with the sole purpose of conducting business in real estate. It is also worth noting that the appellant company was never an agriculturist. In other words, this company had neither any knowledge nor had ever conducted any agricultural operations. After formation of the company, the appellant started to purchase land, primarily agricultural land. The honourable ITAT clearly

held that the agricultural land so purchased was never subjected to any form of cultivation by the appellant. There was also no evidence to the argument of the appellant that the agricultural lands had been given on lease to agriculturists. Such an argument was found to be false by the honourable ITAT. Huge lands falling in three different survey numbers were sold at Turakpally and Kompally, the latter having been purchased only one year earlier. Even during earlier years the appellant had been continuously purchasing lands at different regions and also selling them. The appellant neither possessed the expertise nor the wherewithal to conduct any agricultural operations and as already discussed none were conducted. It has also been held by the honourable ITAT that even though the appellant had shown the lands in question as assets in the balance sheet, yet entries in the books of account by themselves do not offer a conclusive proof of the reality of the situation. Following is the operative part of the judgement of the honourable ITAT referred to supra :-

> *"25. Thus, the main object clause suggests that the assessee's main business is to deal in real estate. After forming the company, the assessee started buying of land. The assessee has taken a plea before us that it has earned income by leasing these agricultural lands to other parties to carryon agricultural operations and the land was subjected to agricultural operations by other persons. Being so, the income earned by sale of such land is to be treated as capital gain and that has to be exempted from tax in View of provisions of section 2(14)(iii) of the Act. In our opinion, this argument of the assessee's' counsel is having no merit. The assessee carried on the activity of buying and selling of lands and in each case the land was not subject to cultivation by the assessee. We cannot accept the argument of the assessee on an assumption the land is fit for agriculture and was used for agriculture purpose by somebody on behalf of the' assessee. The assessee's intention is to be seen. It is on record that there is a series of transactions by which the assessee bought the land and sold for profit. It is a well settled principle that the Court in each case has to determine the nature of transaction with reference to its volume, frequency, continuity and regularity. If a assessee invests money in land intending to hold it for longer period, enjoys its income for some time and then sells at a profit, it would be a clear case of capital*

accretion and not profit derived from adventure in the nature of trade. Cases of realisation of investment consisting of purchase and sale, though profitable are clearly outside the domain of adventure in the nature of trade. While deciding the character of such transaction one has to see various relevant facts. We have to see whether buying and selling activities is in the course of main business activity of the assessee or incidental thereto. As we discussed earlier, the assessee firm is a private limited company with the main object to deal with in real estate. The land purchased by the assessee in the present case is subject matter of trade and it has purchased at regular intervals and it cannot be considered as investment activity of the assessee. Even after purchasing the agricultural land, the assessee cannot be said to be carrying on any agricultural operation. There were no activities connected with the land. Though the' assessee taken a plea that the land was leased for agricultural operations, the evidence brought on record does not suggest that the agricultural operation was actually carried on the said land. Though the assessee shown the land as an investment in the Balance Sheet it cannot 'change the 'character of land as stock-in-trade. The entry in the books of account is not conclusive to hold that the assessee has not dealt with in land. In our opinion, the land dealt by the assessee is a stock-in-trade. It is carrying. on business and making profit by buying and selling the land. The facts of case suggest that the assessee with a sole motive of dealing in land acquired the land and sold the same which can be nothing but adventure in the nature of trade. Further the facts of the case show that the land is situated in surrounding urban areas. Had the intention of the assessee is to carryon agricultural operations; it would not have left the land without cultivation. The assessee before us relied on various judgements of various courts. In our opinion, these .judgements were delivered on their own set of facts. Whether a land is agricultural/and or not is an essential question of fact. The question has to be answered in each case having regard to the facts and circumstances of that case. There may be factors both for and against a particular point of view. The court has to answer the question on a cumulative consideration of all of them. The various circumstances appearing for and against the assessee are to be considered. Though, in the present case the land registered as agricultural land in Revenue

records, payment of land revenue and leasing of the land for agricultural purposes are in favour of the assessee. However, the assessee is a private limited company having the main object of dealing in real estate has not actually carried on the agricultural operations in the said land and even if it is accepted that the land was leased for agricultural purposes, it is only a stop gap arrangement and the evidence brought on record is not enough to show there was actual agricultural operation. The land was sold for non-agricultural purposes at heavy price. The intention of the assessee was to deal in the land and earn profit. Being so, in our opinion, the facts and circumstances brought on record clearly demonstrate that the assessee is a dealer in real estate and carried on the business of buying and selling of land and income arising out of this activity is nothing but business income and it has to be taxed accordingly.

26. The learned AR made one more argument that in earlier year the Assessing Officer accepted the income arising out of sale of such land as income from agriculture and consistency is to be followed for this assessment year also. More so, in the Wealth-tax returns for A. Ys. 2003-04 till 2007-08 this land was treated as exempted asset for the purpose of Wealth-tax by the Department. We are unable to appreciate this contention of the AR. Time and again it has been stated that each assessment year is a separate unit of assessment and principles of res judicata did not apply to the income-tax proceedings. The- issues in the present year may be the same as they may have been in the earlier but still it is expected of the Assessing Officer to verify the facts on those issues and then he may follow his order in the earlier years. That too he is not bound to follow if a mistake has been committed persistently over the past number of years as was held by the Supreme Court in the case of CIT v. British Paints India Ltd. (1991) 188 ITR 44. Therefore, we are not agreeing with the contention of the assessee's counsel.

27. In the result, assessee's appeal is dismissed".

5.5. From the above discussion, it is clear that the appellant company was formed with the intention of conducting the business of real estate. It is only with this purpose that the appellant had been purchasing agricultural lands at cheaper prices and had been

consistently selling these lands to make a profit. No agricultural operations of any kind were carried out on these lands and there was also no lease of these lands to anyone. In other words as discussed in the evidence above, from the very beginning the intent of the appellant was to conduct the business of real estate and that is precisely what it has been doing.

5.6. Knowing fully well its own intent and actions, the appellant deliberately and wrongly indicated the purchase of agricultural land as assets in the balance sheet whereas these should have been shown as stock in trade. Very clearly, there was a predetermined plan to create a web of false evidence for tax evasion. Thereafter, the income earned from the sale of these lands was claimed as exempt from taxation because of the agricultural nature of the lands. However, the appellant knew very well that no agricultural operations had been carried out and the lands were not investment, but were stock in trade. Even when the appellant was caught and the facts were revealed, it did not come out clean. Even at that point of time false and misleading pleas were made by the appellant stating that it had been earning agricultural income, it had been conducting agricultural operations and when all pleas failed, it was stated that the lands had been given to cultivators on lease. Even this contention was found to be incorrect.

5.7. From above, it is amply clear that the conduct of the appellant was not bona fide and it had planned a strategy of false evidence, wrong entries in the books of account and incorrect pleas to get out of its legal liability of paying taxes to the nation. The appellant had deliberately provided incorrect particulars of income in its return. This was further buttressed by false evidence and misleading pleas. The factual matrix clearly indicates that there was no debatable issue involved in this case. It is not a case of bona fide belief, rather as discussed it is a case of deliberate tax evasion strategy.

5.8. In view of the aforementioned facts and circumstances I hold that this is a fit case for levy of penalty and I find no reason to interfere in the order of the assessing officer".

4. Aggrieved, assessee filed appeal before the Tribunal. Ld. Counsel before us reiterating the submissions made before the Ld. CIT(A) submitted that the ITAT confirmed the transaction as an adventure in the nature of trade only on the reason that assessee's memorandum of association contains main clause of transaction in real estate while ignoring the fact that the lands were agricultural lands and sale of agricultural land does not yield any agricultural income. Ld. Counsel relied on the decision of the Coordinate Bench in the case of Tulla Virender vs. ACIT 36 Taxmann.com 545 to submit that ITAT on similar facts in another case held that *where the intention of assessee from inception was to carry on agricultural operations on land in question, gain from its sale could not be taxed as profit arising from adventure in nature of trade*. Ld. Counsel also relied on the decision of Coordinate Bench in the case of Gowtham Constructions Co., vs. ITO, Ward 4(2) (2013) 39 Taxman.com 181 to submit that *where assessee doing business of purchase and sale of lands/developing real estate by purchasing agricultural land and reflect the same in the balance sheet as fixed asset and later on sold the said land in profit, merely because land was sold on profit it could not be said that income arising from sale of land was taxable nor profit arising from adventure in nature of trade*. Relying on the above decisions it was the contention that the Tribunal has differed from the existing case law on the similar facts to hold that assessee has indulged in adventure in nature of trade and thereby, it is only change of opinion but not furnishing of 'in accurate particulars'. Ld. Counsel relied on the decision of Hon'ble Punjab & Haryana High Court in the case of CIT vs. Rajeev Bhatara (2014) 360 ITR 121. In this regard it was submitted that the mere making of a claim which was ultimately found to be unsustainable may not by itself

amount to furnishing of inaccurate particulars regarding the income.

5. Ld. D.R. however, supported the orders of A.O. and Ld. CIT(A) to submit that assessee has deliberately furnished in accurate particulars so as to claim an exemption which is not eligible.

6. We have considered the issue and examined the facts on record and the orders of authorities as well as of the Coordinate Bench. First of all, as far as facts are concerned, there is no dispute with reference to the fact that assessee has purchased agricultural lands. It is also not disputed that these agricultural lands were given on lease and lease incomes were accepted as agricultural income in earlier assessment years. It is also a fact that neither assessee nor the purchasers from assessee converted the lands to non-agriculture and they were carrying on agricultural operations even after sale by assessee. Further, the lands are not available within 8 KM of any municipality and the population of the village is also less than Rs.5000 as certified by the Tahsildar, Shameerpet Mandal which was not controverted. Therefore, there is a bonafide claim made by assessee that sale of agricultural lands does not yield any taxable income by virtue of provisions of section 2(14). Not only that the Hon'ble A.P. High Court in the case of Raghotham Reddy vs. ITO 169 ITR 174 has held that the profit or gain resulting from sale of agricultural land is a revenue derived from land i.e., agricultural income within the meaning of clause (1) in section 2 of the I.T. Act. Therefore, based on the jurisdictional High Court Judgment, it can be stated assessee was under bonaifde impression that gain resulting from sale of agricultural land was exempt from tax. It was only A.O. on interpretation of the information available considered that

assessee is indulging in adventure in nature of trade which opinion was upheld by the ITAT. The ITAT also accepted that assessee has shown agricultural income and differed from the contention of wealth tax return being accepted. The findings of the ITAT in paras 25 and 26 are as under:

> *"25. . . . . .Though, in the present case the land registered as agricultural land in Revenue records, payment of land revenue and leasing of the land for agricultural purposes are in favour of the assessee. However, the assessee is a private limited company having the main object of dealing in real estate has not actually carried on the agricultural operations in the said land and even if it is accepted that the land was leased for agricultural purposes, it is only a stop gap arrangement and the evidence brought on record is not enough to show there was actual agricultural operation. The land was sold for non-agricultural purposes at heavy price. The intention of the assessee was to deal in the land and earn profit. Being so, in our opinion, the facts and circumstances brought on record clearly demonstrate that the assessee is a dealer in real estate and carried on the business of buying and selling of land and income arising out of this activity is nothing but business income and it has to be taxed accordingly.*
>
> *26. The learned AR made one more argument that in earlier year the Assessing Officer accepted the income arising out of sale of such land as income from agriculture and consistency is to be followed for this assessment year also. More so, in the Wealth-tax returns for A.Ys. 2003-04 till 2007-08 this land was treated as exempted asset for the purpose of Wealth-tax by the Department. We are unable to appreciate this contention of the AR. Time and again it has been stated that each assessment year is a separate unit of assessment and principles of res judicata did not apply to the income-tax proceedings. The issues in the present year may be the same as they may have been in the earlier but still it is expected of the Assessing Officer to verify the facts on those issues and then he may follow his order in the earlier years. That too he is not bound to follow if a mistake has been committed persistently over the past number of years as was held by the Supreme Court in the case of CIT v. British Paints India Ltd. (1991) 188 ITR 44".*

7. As can be seen from the above, the Coordinate Bench accepts that the agricultural land is registered as such in Revenue

Records. There was payment of land revenue, leasing of land for agricultural purpose and also assessment under wealth tax returns exempting the asset for the purpose of wealth tax. In view these undisturbed facts, it can be considered that assessee has bonafide belief in making the claim that gain arising out of sale of agricultural land is exempt from tax.

7.1. Hon'ble Punjab & Haryana High Court in the case of CIT vs. Rajeev Bhatara 360 ITR 121 on similar facts, where assessee has claimed that land was away from the municipality of more than 8 KM, consequently exempt from capital gains which contention was not accepted by the Revenue, considered the scope of "inaccurate particulars" and held as under :

> *"…There is no evidence to prove that there was deliberate concealment of income by the assessee because the certificate relied upon by the assessee is not acted upon and that itself cannot lead to levy of penalty and it cannot be said that the assessee has committed an offence under section 271(1) (c) of the Act. The department has not proved that the certificate furnished by the assessee was found to be false and thus it is not possible to infer that the assessee has furnished inaccurate particulars of income. The proceedings under section 271(1) (c) of the Act being in the nature of penal proceedings, the onus is on the revenue to prove that the assessee was guilty of offence of deliberate non disclosure and procurement of the multiple certificates from the various authorities, there was no evidence brought on record to show that the certificates produced by assessee were bogus. Admittedly, certificate produced by the assessee is from Govt. Agency, who has also given a certificate that he is a competent authority to issue certificate. This being the position, the department has not brought on record anything to show that the authority who has given a certificate is not competent to issue the certificate. The A.O. procured certificates from different authorities and he has never questioned the authority who has issued a certificate with SDE, Maintenance, Sub Division, PWD (B&R), Sonepat, where he stated that the distance of the property from the municipal limit is beyond 8 kms. was not examined. The AO never questioned the authority who has given the certificate. It was held in the case of CIT v.*

Khoday Easwarsa and Sons 83 ITR 369 (SC) that penalty proceedings being penal in character, the Revenue itself has to establish that the receipt of the amount in dispute constitutes income of the assessee. Apart from the falsity of the explanation given by the assessee, the department must have before it before levying penalty cogent material or evidence from which it could be inferred that the assessee has consciously concealed the particulars of his income or had deliberately furnished inaccurate particulars in respect of the same and that the disputed amount is a revenue receipt. No doubt, in the original assessment proceedings for computing the tax the evidence with the AO may be a good item of evidence but not in the penalty proceedings. Further, it is to be noted that very mere fact the explanation of the assessee was found to be false in the assessment, but for levy of penalty there should be material to establish that the assessee had consciously concealed the particulars of income or had deliberately furnished inaccurate particulars of income. In the present case, penalty has been levied on the basis of rejection of the explanation/certificate given by the assessee regarding distance of the property from the Municipal limits of Sonepat. On the facts set out above, we find that the inference drawn by the AO that the assessee has consciously concealed the particulars is not based on the falsity of the explanation given by the assessee. We are saying this because the AO though collected the multiple certificates which are showing different distance of the property form the municipal limit of Sonepat, there was a confusion regarding correct distance of the property from the municipal limit of Sonepat. Because of this the Tribunal directed the learned CIT(A) to once again determine the correct distance of the property from the municipal limits of Sonepat and thereafter assessment was completed. There was no positive and definite material with the AO to show that the certificate was bogus. The SDE, Maintenance Sub Division, PWD (B&R) is a Government authority and this was procured by the assessee for the purpose of assessment which was not acted upon and there was no finding regarding the fact that the authority is not competent person to issue the certificate and there was no finding that the assessee has followed the devices to reduce the tax burden by procuring certificate from the wrong authority. Further, there was no fresh material apart from the material procured in the course of assessment proceedings. Penalty proceedings and assessment proceedings are two independent proceedings and the penalty order cannot be solely based on the reasons given in the original order of assessment. The authorities are expected to consider the fresh material at the time of penalty proceedings.

The AO cannot proceed penalty proceedings merely on the basis of findings given in the assessment proceedings. The assessee's inability to explain the discrepancies cannot be the reason for levy of penalty. The material already gathered or inference already drawn by the AO did not find any further support from further enquiries in the penalty proceedings. On the other hand, the assessee was able to produce certificate from the authority who has issued a certificate that the distance of the impugned property is more than 8 KM from the municipal limit of Sonepat and the District Town Planner is a competent authority to issue a certificate. The AO has never alleged in the assessment order of penalty order that the Govt. authority who has issued a certificate to the assessee is not a competent authority to issue the certificate or the certificate is bogus or it was obtained through unfair means. Being so, in our opinion, penalty cannot be levied. The AO treated the penalty proceedings as mere continuance of the assessment proceedings and did not bother to make its penalty proceedings as self contain done, as such penalty order is not sustainable. Mere cross reference to the compliance to levy penalty and the AO is duty bound to consider the entire material at the item or levying the penalty afresh, independently of the assessment proceedings to levy penalty. This has not been done by the AO. As such, penalty cannot be sustained. The evidence on record has not spelt out a case of penalty ambiguously and as such penalty cannot be levied. Hence, we confirm the deletion of penalty."

7.2. As held by Hon'ble Supreme Court in the case of CIT vs. Khode Easwar 83 ITR 369 the penalty proceedings being penal in character, the Revenue itself has to establish that the receipt of the amount undisputedly constitute income of assessee. Apart from falsity of the explanation given by assessee, the department must have before levying penalty, cogent material or evidence from which it could be inferred that assessee has concealed particulars of income or had deliberately furnished in accurate particulars in respect of the same and that the disputed amount is taxable receipt. No doubt, in the original assessment proceedings A.O. can take an opinion that claim of capital gains cannot be allowed and has to be taxed under the head "Business" but that is not enough for considering penalty proceedings. Assessee has not found the

explanation of assessee to be false in assessment. He only deferred on the basis of the memorandum and articles of assessee company and also the fact that very high price was received by assessee at the time of sale. These factors may be enough for bringing amount to tax as business income but cannot establish that assessee has consciously "concealed particulars of income or deliberately furnished in accurate particulars of income". Ld. CIT(A) also in our opinion, has wrongly considered that assessee has falsified accounts ignoring the fact that at the time of purchase way back in 3-4 years before, assessee could not have imagined that price will go up and assessee would get a good price for the land purchased. The fact that assessee has shown lands as assets in the books of accounts consistently cannot be brushed aside just because A.O. took a different view which was upheld by ITAT. On the facts of the case, we are of the opinion that it is only a difference of opinion on a debatable issue which does not lead to furnishing of inaccurate particulars.

7.3. Hon'ble Apex Court in the case of CIT vs. Reliance Petro Products (2010) 322 ITR 158 has held as under :

> *"We have already seen the meaning of the word "particulars" in the earlier part of this judgment. Reading the words in conjunction, they must mean the details supplied in the return, which are not accurate, not exact or correct, not according to truth or erroneous. We must hasten to add here that in this case, there is no finding that any details supplied by the assessee in its return were found to be incorrect or erroneous or false. Such not being the case, there would be no question of inviting the penalty under s. 271(1)(c) of the Act. A mere making of the claim, which is not sustainable in law, by itself, will not amount to furnishing inaccurate particulars regarding the income of the assessee. Such claim made in the return cannot amount to the inaccurate particulars".*

7.4. Hon'ble Punjab & Haryana High Court in the case of Sidhartha Enterprises 322 ITR 82 has held as under :

> *"The judgment of the Supreme Court in Union of India vs. Dharamendra Textile Processors & Ors. (2008) 219 CTR (SC) 617 : (2008) 306 ITR 277 (SC) cannot be read as laying down that in every case where particulars of income are inaccurate, penalty must follow. What has been laid down is that qualitative difference between criminal liability under s. 276C and penalty under s. 271(1)(c) had to be kept in mind and approach adopted to the trial of a criminal case need not be adopted while considering the levy of penalty. Even so, concept of penalty has not undergone change by virtue of the said judgment. Penalty is imposed only when there is some element of deliberate default and not a mere mistake. This being the position, the finding having been recorded on facts that the furnishing of inaccurate particulars was simply a mistake and not a deliberate attempt to evade tax, the view taken by the Tribunal cannot be held to be perverse".*

8. Considering the facts of the case and the law on the subject as discussed above, we are of the opinion that there is no scope for levy of any penalty under section 271(1)(c) on the facts of the case. Therefore, we cancel the penalty. Assessee's grounds are allowed.

9. In the result, appeal of the assessee is allowed.

Order pronounced in the open Court on 16.09.2014.

Sd/-	**Sd/-**
(ASHA VIJAYARAGHAVAN)	**(B.RAMAKOTAIAH)**
JUDICIAL MEMBER	**ACCOUNTANT MEMBER**

Hyderabad, Dated 16th September, 2014

VBP/-

Copy to

1.	M/s. G.K. Properties P. Ltd., 101, Ground Floor, Plot No.28/A, Wellington Plaza, Vijaynagar Colony, Picket, Secunderabad – 500 009.
2.	The Income Tax Officer, Ward 2 (2), Hyderabad
3.	Commissioner of Income Tax (Appeals)-III, Hyderabad
4.	Commissioner of Income Tax-II, Hyderabad
5.	D.R. "A" Bench, ITAT, Hyderabad.