

**IN THE INCOME TAX APPELLATE TRIBUNAL BENCH-RANCHI**  
**VIRTUAL HEARING AT KOLKATA**

**Before Shri Sonjoy Sarma, Judicial Member  
and Shri Ratnesh Nandan Sahay, Accountant Member**

**I.T.A. No.454/Ran/2024**  
Assessment Year: 2018-19

**Shankar Polmersetty....Appellant**  
H.No.12, Gel Church Mohlla,  
Gurudwara Road, Tatanagar,  
PS Bagbera, Kitadih, Jharkhand- 831002.  
**[PAN: AJSP1582B]**

vs.

**ITO, Ward-3(1), Jamshedpur.....Respondent**

**Appearances by:**

Shri Shrawan Kr. Jha, Adv., appeared on behalf of the appellant.  
Shri Sumit Dasgupta, Sr. DR, appeared on behalf of the Respondent.

Date of concluding the hearing : December 17, 2025  
Date of pronouncing the order : December 18, 2025

**ORDER**

**Per Sonjoy Sarma, Judicial Member:**

This appeal filed by the assessee is directed against the order of the NFAC, Delhi (hereinafter referred to as "CIT(A)") dated 12.11.2024 passed under Section 250 of the Income-tax Act, 1961 (hereinafter referred to as the "Act").

2. Brief facts of the case are that the assessment in the case of the assessee was completed by making an addition of ₹12,21,500 under section 56(2)(x) of the Income-tax Act, 1961. The Assessing Officer noted that the assessee purchased a flat for a consideration of ₹9,35,000, whereas the stamp duty value adopted by the stamp valuation authority was ₹21,56,500. Accordingly, the difference was treated as income under section 56(2)(x) of the act. The assessee submitted that the booking of the flat was made on 28.06.2010, and an advance payment of ₹51,000 was made through account payee cheque on the date of agreement. It was further contended that the property is situated in a rural area, and the stamp duty value as on the date of agreement was much lower than

the value adopted at the time of registration. In the absence of supporting evidence, the Assessing Officer referred the matter to the Departmental Valuation Officer (DVO). Without waiting for the valuation report, the Assessing Officer proceeded to complete the assessment and made the addition of ₹12,21,500 under section 56(2)(x) of the act.

3. Aggrieved by the order of the Ld. AO's order assessee preferred an appeal before the Ld. before the CIT(A). Where during appellate proceedings, the assessee submitted that the fair market value of the flat as on 28.06.2010 was significantly lower. It was also pointed out that the guideline value/ready reckoner rate applicable on that date was approximately ₹11,40,000. But, the DVO's valuation report was received on 10.05.2023, wherein the value of the flat was determined at ₹14,65,863. Taking cognizance of the DVO report, the Ld. CIT(A) restricted the addition by adopting the value determined by the DVO and finally sustained an addition of ₹5,30,863, granting relief of ₹6,90,637. The rectification order was passed on 04.09.2023.

4. Aggrieved by the partial sustaining of the addition, the assessee is in appeal before the Tribunal. The Ld. AR submitted that the agreement to purchase and initial payment were made on 28.06.2010 and as per settled law, stamp duty value as on the date of agreement is to be considered where part consideration is paid through banking channels. Whereas in present case the DVO valued the property as on the date of sale/registration, not as on the date of agreement/booking. Therefore, the DVO report relied upon by the Ld. CIT(A) is factually and legally incorrect. If valuation is determined as on 28.06.2010, there would be no addition under section 56(2)(x) of the act. The assessee prayed that the matter be restored to the file of the Assessing Officer/DVO for fresh determination of value as on the date of agreement.

5. On the other hand, the Ld. DR supported the order of the Ld. CIT(A).

6. We have heard the rival submissions and perused the material available on record. It is an undisputed fact that yhe assessee entered into the agreement for purchase of the flat on 28.06.2010, and part consideration was paid through account payee cheque on the said date. The contention of the assessee that the value of the property as on the date of agreement should be adopted finds support from the statutory provisions as well as settled judicial principles. However, we find that while granting partial relief, the Ld. CIT(A) relied upon the DVO's valuation as on the date of sale/registration, without examining the fair market value of the property as on the date of agreement, i.e., 28.06.2010. In the interest of justice, we are of the considered view that the matter requires fresh examination. Accordingly, we set aside the issue to the file of the Assessing Officer with the directions to obtain or reconsider the valuation of the property as on 28.06.2010, being the date of agreement/booking and to pass a fresh order in accordance with law after providing due opportunity of being heard to the assessee.

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

***Kolkata, the 18<sup>th</sup> December, 2025.***

Sd/-  
**[Ratnesh Nandan Sahay]**  
**Accountant Member**

Sd/-  
**[Sonjoy Sarma]**  
**Judicial Member**

Dated: 18.12.2025.

RS

*Copy of the order forwarded to:*

1. Appellant
2. Respondent
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches