

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
DELHI BENCH: 'C' NEW DELHI**

**BEFORE SHRI S RIFAUR RAHMAN, ACCOUNTANT MEMBER  
AND SHRI VIMAL KUMAR, JUDICIAL MEMBER**

ITA No. 3598/Del/2023  
Assessment Year: 2012-13

Income Tax Officer, Ward 14(1), Delhi Delhi-1100 02	<b>Vs.</b>	K G Buildwell Private Limited, 14/60, West Punjabi Bagh, New Delhi PIN: 1100 26
		PAN : AAECK0837E
<b>(Appellant)</b>		<b>(Respondent)</b>

Department by	Shri Manoj Pahwa, CA
Assessee by	Shri Om Prakash, Sr. DR

Date of hearing	04.11.2025
Date of pronouncement	21.01.2026

**ORDER**

**PER VIMAL KUMAR, JUDICIAL MEMBER:**

The appeal filed by the Department of Revenue is against order dated 30.10.2023 of Learned Commissioner of Income Tax (Appeals)/National Faceless Assessment Centre (NFAC), Delhi (hereinafter referred to as "Ld. CIT(A)") under Section 250 of the Income Tax Act, 1961 (hereinafter referred to as "the Act") arising out of assessment order dated 14.12.2017 of the Learned

Assessing Officer/Income Tax Officer, Ward 14(1) ((hereinafter referred to as "Ld. AO") under Sections 143(3) of the Act for AY 2012-13.

2. Brief facts of the case are that assessee company filed its return of income on 31.03.2013 declaring total income of Rs.9,15,850/- which was assessed to tax under Section 143(3) of the Act on 31.03.2015. The said order was passed as the properties were referred to DVO for his valuation and valuation report was not received. Subsequently, the valuation report from DVO vide letter dated 20.01.2017 and 24.01.2017, stating that the valuation of sale value of properties had been suppressed by a sum of Rs.6,25,53,658/-. Proceedings under Section 147 of the Act were initiated on the basis of report. Notice under Section 148 of the Act was issued. Subsequently, notices under Sections 143(2) and 142(1) of the Act were issued. Shri Manoj Pahwa, CA appeared from time to time. On completion of assessment proceeding, Ld. AO vide order dated 14.12.2017 made addition of Rs.6,25,53,658/-.

3. Against order dated 14.12.2017 of Ld. AO, the assessee filed appeal before Ld. CIT(A) which was allowed vide order dated 30.10.2023.

4. Being aggrieved, the Appellant/Department of Revenue, preferred present appeal with following grounds:

“1. Whether on the facts and circumstances of the case, the Ld. CIT(A) was justified in deleting the addition made by the AO on account of undisclosed income on suppressed sale of property by not considering the Valuation Report of DVO and comments of AO in the remand report submitted by the AO.

2. Whether on the facts and circumstances of the case, the Ld. CIT(A) was justified in admitting the additional evidences submitted by the assessee under Rule 46A of the I.T. Act, 1961 despite the fact that the admission of additional evidences was vehemently denied by the AO as the assessee did not meet any of the conditions laid down in Rule 46A and despite providing sufficient opportunities to the assessee for submitting the relevant details which the assessee did not avail at the time of regular assessment.

3. Whether on the facts and circumstances of the case, the Ld. CIT(A) was justified in deleting the addition by not considering the fact that the Valuation Officer also gave sufficient opportunity to the assessee to submit the documents related to property which the assessee did not avail.

4. That the appellant craves leave to add, amend, vary, omit or substitute any of the aforesaid ground/(s) of the appeal either before or at the time of hearing of the appeal.”

5. Learned Departmental Representative submitted that paras 2.1 to 2.4 of Order of Ld. AO contain details of evidences collected and result of inquiries conducted by Ld. AO on the issues involved during assessment proceeding.

5.1 The Ld. CIT(A) has ignored the fact that the AO has submitted in its remand report submitted during appellate proceedings that the assessee didn't produce any valuation report of the approved valued at the time of original assessment. The same were produced by the assessee only during the appellate proceedings. Further Ld. AO in its remand report stated that that the valuation report submitted by the assessee during appellate proceedings, was done by M/s Saif-Associates which had made valuation by relying upon the circle rates and not on the prevailing market rates and Valuer also had not considered the cost of lift, electricity fittings, the division of parking floors etc.

5.2 The Ld. CIT(A) has ignored the fact mentioned in the assessment order dated 14.12.2017 for A.Y. 2012-13 passed under Sections 147/143(3) of the Act and also submission of the Ld. AO in its remand report submitted during appellate proceedings that during the assessment proceedings even after repeated opportunities assessee did not submit the valuation report of any registered Valuer and any cogent material/evidence in support of its claim and therefore, the matter was referred to the Valuation Officer. Further, the assessing officer can make a reference u/s 142A(1) of the IT Act, 1961 to the Valuation Officer if certain statutory conditions are fulfilled and the valuation made by the Valuation Officer u/s 142A(1) is legally binding on the AO. Further, valuation report submitted by the assessee during appellate proceedings, done by M/s Saif-Associates is not acceptable as the valuation has been made relying upon the circle rates and not on the prevailing market rates. The valuer has also not considered the cost of lift, electricity fittings, the division of parking floors etc.

5.3 Comments on the finding of Ld. CIT[A] is not acceptable as there was a provision available in the Income Tax Act at the time A.Y. 2012-13.

5.4 During assessment proceedings the Ld. AO came to conclusion that income has been suppressed by way of suppression of sale value of 12 properties, sold during the year under consideration as the assessee did not produce either the valuation report of any registered valuer of these properties or

any cogent material/evidence in support of its claim despite giving repeated opportunities and therefore, the matter was referred to the valuation officer.

6. Learned Authorized Representative for the assessee relied on order of Ld. CIT(A).

7. From examination of record in light of aforesaid rival contentions, it is crystal clear that Ld. AO on basis of report received from DVO vide letters dated 20.01.2017 and 24.01.2017 had initiated proceedings under Section 147 of the Act. Notices under Section 148, 143(2) and 142(1) of the Act were issued regarding suppression of sales by assessee as per valuation report amounting to Rs.6,25,53,658/-. So, Ld. AO made addition of Rs.6,25,53,658/- vide order dated 14.12.2017

7.1 Ld. CIT(A) vide order dated 30.10.2023 on basis of additional evidence submitted by appellant and remand report of Ld. AO vide order dated 30.10.2023 deleted the addition made by Ld. AO. In order dated 30.10.2023, Ld. CIT(A) in para no. 4 held as under:

“.....From the assessment order or records it is also not clear the nature of independent inquiries made by the Ld. AO which warranted a reference to the DVO There could not have been any issue of undisclosed income in the case of the appellant as the Ld. AO had no material/information to this effect, the assessee had submitted all the necessary documents before the Ld.AO, the books of account of the appellant were audited and no discrepancy was pointed out by the auditor in the books of accounts.

In view of the foregoing, the Ld. AO could not have made a reference to DVO to determine the suppressed income at the material time as there was no such provision in the statute. Hence, the addition made by the Ld. AO on the basis of the report of the DVO cannot be sustained for

technical/legal reasons as stated. The addition of Rs.6,25,53,658/- made by the Ld. AO is hereby deleted”.

7.2 On perusal of above said discussion and finding, it is evident that Ld. AO did not reject the audited books of accounts, mentioning the twelve properties sold by the Assessee. The nature of inquiries made by Ld. AO was not clear from assessment order. The addition on basis of report of DVO was not sustainable. Therefore, the grounds of appeal being de void of merit are untenable.

8. In the result, the appeal filed by the Department of Revenue is dismissed.

*Order pronounced in the open court on 21<sup>st</sup> January, 2026.*

*Sd/-*

**(S RIFAUR RAHMAN)  
ACCOUNTANT MEMBER**

*Sd/-*

**(VIMAL KUMAR)  
JUDICIAL MEMBER**

Dated: 21<sup>st</sup> January, 2026.  
Mohan Lal

Copy forwarded to:

1. Applicant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar, ITAT, New Delhi