



आयकर अपीलिय अधिकरण "बी" न्यायपीठ पुणे में ।  
IN THE INCOME TAX APPELLATE TRIBUNAL "B" BENCH,  
PUNE

BEFORE Dr. MANISH BORAD, ACCOUNTANT MEMBER  
AND  
MS. ASTHA CHANDRA, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.195/PUN/2025  
निर्धारण वर्ष / Assessment Year: 2014-15

Vijay Balbhim Pise, 110, Railway Lines, Solapur- 413001 Maharashtra PAN-AJGPP4660A Appellant	Vs	ITO Ward 1(2), Solapur Respondent
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Assessee by	:	Shri Kushal Soni (Virtual)
Revenue by	:	Shri Aviyogi Ambadkar, Addl.CIT
Date of hearing	:	12.01.2026
Date of pronouncement	:	21.01.2026

**आदेश/ORDER**

**PER DR.MANISH BORAD, ACCOUNTANT MEMBER :**

This appeal at the instance of the assessee is directed against the order of Ld. CIT(A) NFAC, Delhi dated 17.01.2024 framed u/s 250 of the Income Tax Act, 1961 for A.Y. 2014-15 which is arising out of order passed u/s 143(3) of the Act dated 27.12.2016.

2. Registry has informed that there is a delay of 313 days in filing of the present appeal. Application for condonation of delay alongwith affidavit has been filed by the assessee stating that the main reason for delay is on account of illness of the assessee suffering from various diseases. We note that the

delay is not intentional and assessee has not gained from delaying the appeal. Taking a justice oriented approach and also placing reliance on the judgement of the *Hon'ble Apex Court* in the case of *Collector, Land Acquisition vs. Master Katiji and Others(1987) 167 ITR 471(SC)* & in the case of *Inder Singh Vs State of Madhya Pradesh judgement dated 21.03.2025 (2025) INSC 382*), we hereby condone the delay of 313 days and admit the appeal for adjudication.

3. Assessee has raised following grounds of appeal:-

1. *On the facts and circumstances of the case, Ld. CIT Appeals (NFAC) grossly erred in not annulling the assessment order as passed by Ld. AO without obtaining or in the absence of valuation report of the DVO.*
2. *On the facts and circumstances of the case Ld. CIT Appeals erred in confirming the additions, made by Ld. AO, by invoking provisions of Section 50C of the I.T. Act, 1961.*
3. *Ld. AO as well as CIT Appeals erred in invoking provision of Section 50C in the AY 2014-15, court compromise became effective from 11 April 2015. Effective date of transfer was 11 April 2015. Capital gain not be taxed in AY 2014-15.*
4. *Scrutiny proceedings initiated by Ld. AO ITO Ward 1(1) Solapur and assessment order was passed by Ld. ITO Ward 1(2) Solapur. Ld. AO erred in exercising inconsistent jurisdiction over this case in assessment which is not as per the I.T. Act, 1961.*
5. *Ld. AO erred in initiating penalty under Section 271(1)(c) of the I.T. Act, 1961 for concealment of income which was based on the additions made on the basis of estimation of fair market value of the land based on deeming fiction as provided in Section 50C of the I.T. Act, 1961. The said penalty not be initiated.*
6. *The appellant craves leave to add to, alter, amend, modify, substitute, delete and/or rescind all or any of the 'GROUNDS OF APPEAL on or before the final hearing, if necessity so arises.*

4. Though the assessee has raised six grounds of appeal but the main grievance is that the Ld. CIT(A) erred in confirming the addition of Rs. 77,00,000/- made by the Ld. Assessing Officer (AO) invoking provision of section 50C of the Act.

5. At the outset Ld. Counsel for the assessee submitted that the assessee sold two plots of land situated at Solapur Municipal Corporation limits for the land sold to M/s. Swapnil Associates, Ld. AO has not made any addition u/s 50C of the Act. However for the land sold to Shri Amit A. Sindagi and others, the sale consideration shown in the sale agreement is Rs. 37,50,000/- but the Stamp Valuation authorities have calculated the stamp duty valued at Rs. 1,14,50,000/- There is a difference of Rs. 77,00,000/- in between the stamp duty valuation of property and the actual sale consideration. The assessee challenged the valuation before Ld. AO for referring it to Department Valuation Officer (DVO) but the report was not received till the conclusion of assessment proceedings and also assessee did not get an opportunity to make submission before the DVO challenging the higher valuation of the property. He made reference to the return submissions particularly to the following paras:-

*2.2 It is pertinent fact to note that the land, additions for which were made by Ld. AO, was a land locked land means the said land has no free access to the road. The said land is locked by other lands from all four sides. The land is sold without any access. The said land is in the back side portion. The area in which the said land is located is Salgarwadi, Maharashtra is not fit or not suitable for public residential purposes due to neighbouring agricultural lands.*

*2.3 Serious errors observed in the sale instances opted by the DVO in determining the valuation of the land. The said valuation report is enclosed herewith at page*

*no 19-30 of this paper book. The sale instances used by DVO are mentioned at Annexure - I of the valuation report of DVO. After carefully looking at the instances opted by DVO one of the instances is the case of assessee's own sale of land to M/s Swapnil Associate, the land involved in the instance is the land abutting (connected) the main road. The sale transaction of this land sale instance was in dispute at a later stage due to non-payment by the buyer of the property, this fact is clearly stated in the assessment order as well in the valuation report of the DVO. This sale instance is not independent, biased and not a right representative of the nature of land sold by assessee. Considering this, this Instance for ascertaining the value of land is not a valid instance which renders the entire valuation exercise futile in this case.*

*2.4 Another instance used by DVO in the valuation report is having the land rate per sqm is Rs. 287. In the valuation report the rate taken by DVO is Rs. 344 per sq.mtr without any basis, reason and explanation of the same. The valuation of the DVO in this case is purely arbitrary in nature and based on surmise and conjecture.*

*2.5 Invocation of provision of Sec 50C was totally unlawful in this case as valuation in this case was not fair and reasonable as stated above.*

6. On the other hand Ld. CIT(A) vehemently argued supporting the orders of both the lower authorities.

7. We have heard rival contentions and perused the records placed before us. Addition u/s 50C of the Act made by the Ld. AO has been confirmed by Ld. CIT(A) for one property (land) sold by the assessee during the year to Mr. Amit A. Sindagi & others. We note that properties in question are located in Solapur Municipal Corporation limits admeasuring H 2.81 R and H 2.00 R. For the land sold to M/s Swapnil Associates at sale consideration of Rs. 1,53,40,000/-, since the Stamp Duty valuation u/s 50C of the Act was appearing in the documents at Rs. 1,52,98,000/-, the Ld. AO did not make any addition u/s 50C of the Act. But for another land sold by the assessee to Mr. Amit A Sindagi and others, sale consideration declared in the Registered sale deed is Rs. 37,50,000/- as against the

stamp duty valuation at Rs. 1,14,50,000/- The difference between the sale consideration in immovable properties No. 1 & 2 has been stated to be mainly on account of the fact that 2<sup>nd</sup> property is land locked by other lands from all the four sides and no free access to the road. The other reasons for reduced sale consideration has already been referenced by Ld. Counsel for the assessee extracted supra. We note that for the valuation of immovable property No. 2, the assessee raised objection before the Ld. AO regarding the valuation made by the stamp duty authorities and Ld. AO has referred the matter to DVO, however prior to receiving of the DVO report assessment order has been framed and also the assessee did not get any opportunity to plead before the DVO prior to the furnishing of valuation report. We note that the facts narrated by assessee about the land location includes no free access, not suitable for residential purposes and also the discrepancies referred in the DVO report in which the instances used by DVO for another land is rate per square meter is Rs. 287/- but DVO has adopted the rate of Rs. 344/- per square meter.

8. Under these given facts and circumstances we deem it proper to restore the issues raised in the instant appeal to the file of Ld. Jurisdictional Assessing Officer (JAO) for the limited purposes of giving the opportunity to the assessee for challenging the observations of the DVO and also to consider the other valuation report by registered valuer if any submitted by the assessee and thereafter taking into consideration the submissions of the assessee shall decide afresh in accordance with law. Needless to mention that proper opportunity of hearing shall be given to the assessee.

Assessee is also directed to remain vigilant and not to take adjournment unless otherwise required for reasonable cause. Effective grounds of appeal raised by the assessee are allowed for statistical purposes.

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

Order pronounced on this 21<sup>st</sup> day of January, 2026.

Sd/-

**(ASTHA CHANDRA)**  
**JUDICIAL MEMBER**

Sd/-

**(MANISH BORAD)**  
**ACCOUNTANT MEMBER**

पुणे/ Pune; दिनांक /Dated: 21<sup>st</sup> January, 2026.

*Neeta*

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

1. अपीलार्थी /The Appellant.
2. प्रत्यर्थी /The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "बी" बेंच, पुणे /DR, ITAT, "B" Bench, Pune.
5. गार्ड फाइल /Guard File.

आदेशानुसार /BY ORDER,

Assistant Registrar  
आयकर अपीलीय अधिकरण, पुणे /ITAT, Pune