

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
'SMC' BENCH , CHANDIGARH

BEFORE SHRI RAJPAL YADAV, VICE PRESIDENT

आयकर अपील सं./ ITA No. 1385/CHD/2025

निर्धारण वर्ष / Assessment Year: 2023-24

Smt. Harmandeep Kaur, House No.1182, Basant Avenue Extn., Phullanwal, Ludhiana.	Vs	The ITO, Ward-6(1), Ludhiana.
स्थायी लेखा सं./PAN NO: BLYPK1410Q		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

Assessee by : Shri Ashwani Kumar, CA
Revenue by : Shri Vivek Vardhan, Addl. CIT Sr.DR

Date of Hearing : 22.01.2026
Date of Pronouncement : 29.01.2026

HYBRID HEARING

ORDER

The assessee is in appeal before the Tribunal against the order of the Id. Commissioner of Income Tax (Appeals) [in short 'the CIT (A)'] dated 10.09.2025 passed for assessment year 2023-24.

2. The assessee has taken two grounds of appeal but her grievance revolves around a single issue, namely, whether addition of Rs.27,50,000/- made by the AO by treating the

sale proceeds of immovable properties as unexplained money deserve to be confirmed in her hand or not.

3. The brief facts of the case are that assessee has filed her return of income on 03.10.2023 declaring total income at Rs.8,64,190/-. The case of the assessee was selected for scrutiny assessment and notices u/s 143(2)/142(1) were issued time to time. A perusal of the record would emerge out that assessee has purchased two plots in 2010 and 2014 from M/s Solitaire Colonizers and Builders Pvt. Ltd. through cash payments, against which allotment letters have been issued to the assessee and its allotment letters have been issued to the assessee on 10.03.2010 and 27.02.2014. The first plot bears No. 59-B having area of 174 sq.yds. and it was purchased for Rs.3,48,000/-. Copy of the allotment letter is available on page 13 of the Paper Book and also reproduced in the assessment order. Similarly, second plot was purchased on 27.02.2014. This plot bears No. 5220 and area was 368.50 sq.yd. It was purchased for Rs.11,05,500/-. Both these plots have been sold during the Accounting Year relevant to this assessment year. The assessee has calculated the capital gain

earned on these plots and offered for taxation. The AO was of the view that assessee has not executed Sale Deeds while purchasing these plots, hence, it is to be assumed that these plots were not purchased by the assessee, rather it is an accommodation entry vide which assessee has routed her transaction in this manner. The AO made lots of discussion on certain other peripheral issues but ultimately made the addition of Rs.8,70,000/- and Rs.18,80,000/- u/s 69A of the Act. He charged this for taxation u/s 115BBE.

4. Appeal to the ld. CIT (Appeals) did not bring any relief to the assessee.

5. The ld. counsel for the assessee while impugning the orders of Revenue Authorities submitted that assessee got allotment letters and she paid the money. Thus, a right to purchase these plots accrued to the assessee. Ultimately these were sold by the assessee and assessee offered Long Term Capital Gain. The company in the year of allotment has included receipts from assessee in its total sales turnover. The ld. counsel for the assessee relied upon judgement of

Hon'ble Supreme Court in the case of Sanjiv Lal Vs CIT reported in 365 ITR page 389.

5.1 On the other hand ld. DR relied upon order of ld.CIT (Appeals), particularly recorded in paragraph No. 6 on page 9.

6. The ld. Sr.DR submitted that ld.CIT (Appeals) has observed that it is a transaction between related parties and the letter is not genuine. The purchase price was made in cash, which creates more doubts. The ld. counsel for the assessee, on the other hand contended that plots were purchased in 2010 and 2014 and no relationship was there with the selling company.

7. I have duly considered the rival contentions and gone through the record carefully. It is pertinent to observe that even under allotment letter, assessee would acquire a right of capital in nature. It is akin to enter into an agreement and if vendor failed to execute the Sale Deed, then assessee would take help of Court to persuade the vendor to execute the Sale Deed. Both the Revenue Authorities have doubted this allotment letter but did not conduct any enquiry. No notice was issued to M/s Solitaire Colonizers and Builders Pvt. Ltd.

in order to verify whether this allotment was genuine or not. In the absence of such an enquiry, how can AO as well as CIT (Appeals) assume that it is not a genuine transaction. There is no evidence possessed by both the Revenue Authorities. The situation can be explained by way of an example, namely, 'A' entered into an Agreement with 'B' for purchase of plot of land. Later on, the rights acquired by 'A' by virtue of the Agreement are being relinquished in favour of 'C' and 'A' can persuade 'B' to get the Sale Deed registered in favour of 'C'. 'A' will be a confirming party to the transaction. But, thereafter, amount being earned by 'A' in this transaction will be treated as a capital receipt. Another example can be, namely, 'A' entered into an Agreement with 'B' for purchase of a house. Later on 'B' gets a better offer, for example original agreement was for Rs.5 lacs but, 'B' gets a buyer of Rs.10 lacs. He approached 'A' and offered him some amount over and above the initial payment received under the Agreement. 'A' agreed and relinquished his charge over the property acquired by virtue of Agreement. Then, whatever amount received by 'A' from 'B' for relinquishing the charge will be offered for capital gain and 'B' can sell it for a better price to 'C'. All

these aspects have not been looked into by both the Revenue Authorities and they got influenced unnecessarily without verifying the transaction. It is their self-assumptions and presumptions and hence, no addition is sustainable. Appeal of the assessee is allowed and additions made by the AO are deleted.

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

Order pronounced on 29.01.2026.

Sd/-

(RAJPAL YADAV)
VICE PRESIDENT

“Poonam”

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
5. गार्ड फाईल/ Guard File

सहायक पंजीकार/ Assistant Registrar