

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR “SMC” BENCH : NAGPUR
(through virtual)
BEFORE DR. MANISH BORAD, ACCOUNTANT MEMBER

I.T.A.No.690/NAG/2025
(Assessment Year : 2019-2020)

Jagdish Kanhaiyalal Khushalani, Flat No.102, Kirtika Apartment, Jaripatka, Nagpur. PAN : AGGPK 3848 Q (Appellant)	vs.	ITo, Ward-2(3), Nagpur. (Respondent)
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For Assessee :	Shri Manoj G. Moryani, Adv.
For Revenue :	Shri Surjit Kumar Saha, Sr.DR

Date of Hearing :	04.02.2026
Date of Pronouncement :	.02.2026

ORDER

This appeal at the instance of the assessee is directed against the order of Ld. ADDL/JCIT (Appeals), Panaji [“CIT(A)”], dated 16/10/2025 passed u/s. 250 of the Income Tax Act, 1961 (for short, 'the Act') which is arising out of rectification order dated 11.09.2020 passed u/s. 154 of the Act for the Assessment Year 2019-20 (A.Y.)

2. The sole grievance of the assessee is against the addition u/s. 50C of the Act at ₹ 22,32,000/- for the difference in stamp duty valuation of immovable property and the sale consideration received by the assessee.

3. At the outset, learned counsel for the assessee submitted sale deed has been registered for the immovable property sold by the assessee showing sale consideration of ₹ 5,00,000/-, however, the stamp duty valuation of the property appearing in the registered sale deed is ₹ 22,32,000/-. He submitted that the property was registered during the year under consideration, but the major amount of the consideration has already been received by the assessee during the F.Y. 2011-12 as per agreement to sale and that the said payments received through banking channel. Referring to the proviso to section 50C of the Act, he submitted that since consideration has been received by the assessee during the F.Y. 2011-12 through banking channel, therefore, stamp duty valuation on the date of agreement may be taken for the purpose of computing the full value of consideration for such transfer. He also submitted that stamp duty valuation on the date of agreement to sale in F.Y. 2011-12 is less than ₹ 5,00,000/- and, therefore, impugned addition deserves to be deleted.

4. On the other hand, Ld. Departmental Representative (DR) vehemently argued supporting the order of Ld. CIT(A).

5. I have heard rival contentions and perused the records placed before me. The addition made u/s. 50C of the Act at ₹22,32,000/- is in challenge before me. I observe that the assessee furnished the return of income for A.Y. 2019-20 on

10.10.2019 and has shown the transaction of capital gain in the return. Assessee has also mentioned the value as per the stamp duty authority in the respective column of the income tax return in Form No.3. Based on such information available in ITR, Centralized Processing Centre (CPC) made *prima-facie* adjustment making addition of ₹ 22,32,000/- u/s. 50C of the Act and adopted the sale consideration value as per stamp duty valuation and re-calculated the capital gain, thereby making the impugned addition after taking note of the sale consideration of ₹ 5,00,000/- received by the assessee as against the stamp duty valuation of ₹ 27,32,000/- mentioned by the assessee in the ITR. Thereafter assessee has filed an application u/s. 154 challenging such *prima-facie* adjustment, but failed to get any relief. In appeal before the Ld.CIT(A) has rightly held that *prima-facie* adjustment made by the CPC is correct because the same has been made on the basis of details furnished by the assessee in the ITR.

6. So far as merits of the case are concerned, Ld.CIT(A) has observed that assessee has not produced any documentary evidence such as copy of sale deed, DVO's valuation or proof of year-wise receipts to substantiate that the transfer occurred in 2011. Now before this Tribunal, assessee has furnished paper book running into 82 pages and it has been certified that documents filed in the paper book forms part of the paper book filed before the lower authorities. In this paper book at

page No. 25-44, the sale consideration mentioned in this deed is ₹ 5,00,000/-, but the payments were received by the assessee during the F.Y. 2011-12 relevant to A.Y. 2012-13 and the same contains ₹ 2,00,000/- and ₹ 3,00,000/- received through cheque Nos. 218156 & 218154 of Sadhana Sahkari Bank Ltd. Nagpur. Copy of bank passbook is also placed at page No. 45-48 which clearly exhibits that sale consideration of ₹ 5,00,000/- (₹ 200000 + ₹ 300000) stands received by the assessee on 23.11.2011 & 28.11.2011.

7. Under these given facts where the sale consideration has been received in the preceding years through banking channel and that the sale deed has been registered in the subsequent period, proviso to section 50C of the Act comes into picture. For the sake of convenience section 50C of the Act reads as under:-

“50C. (1) *Where the consideration received or accruing as a result of the transfer by an assessee of a capital asset, being land or building or both, is less than the value adopted or assessed or assessable by any authority of a State Government (hereafter in this section referred to as the "stamp valuation authority") for the purpose of payment of stamp duty in respect of such transfer, the value so adopted or assessed or assessable shall, for the purposes of section 48, be deemed to be the full value of the consideration received or accruing as a result of such transfer*

Provided that where the date of the agreement fixing the amount of consideration and the date of registration for the transfer of the capital asset are not the same, the value adopted or assessed or assessable by the stamp valuation authority on the date of agreement may be taken for the purposes of computing full value of consideration for such transfer:

Provided further that the first proviso shall apply only in a case where the amount of consideration, or a part thereof, has been received by way of an account payee cheque or account payee bank draft or by use of electronic clearing system through a bank account, on or before the date of the agreement for transfer:

[Provided also that where the value adopted or assessed or assessable by the stamp valuation authority does not exceed one hundred and five per cent of the consideration received or accruing as a result of the transfer, the consideration so

received or accruing as a result of the transfer shall, for the purposes of section 48, be deemed to be the full value of the consideration.]

(2) Without prejudice to the provisions of sub-section (1), where—

- (a) the assessee claims before any Assessing Officer that the value adopted or assessed or assessable by the stamp valuation authority under sub-section (1) exceeds the fair market value of the property as on the date of transfer;*
- (b) the value so adopted or assessed or assessable by the stamp valuation authority under sub-section (1) has not been disputed in any appeal or revision or no reference has been made before any other authority, court or the High Court,*

the Assessing Officer may refer the valuation of the capital asset to a Valuation Officer and where any such reference is made, the provisions of sub-sections (2), (3), (4), (5) and (6) of section 16A, clause (i) of sub-section (1) and sub-sections (6) and (7) of section 23A, sub-section (5) of section 24, section 34AA, section 35 and section 37 of the Wealth-tax Act, 1957 (27 of 1957), shall, with necessary modifications, apply in relation to such reference as they apply in relation to a reference made by the Assessing Officer under sub-section (1) of section 16A of that Act.

Explanation 1.—For the purposes of this section, "Valuation Officer" shall have the same meaning as in clause (r) of section 2 of the Wealth-tax Act, 1957 (27 of 1957).

Explanation 2.—For the purposes of this section, the expression "assessable" means the price which the stamp valuation authority would have, notwithstanding anything to the contrary contained in any other law for the time being in force, adopted or assessed, if it were referred to such authority for the purposes of the payment of stamp duty.

(3) Subject to the provisions contained in sub-section (2), where the value ascertained under sub-section (2) exceeds the value adopted or assessed or assessable by the stamp valuation authority referred to in sub-section (1), the value so adopted or assessed or assessable by such authority shall be taken as the full value of the consideration received or accruing as a result of the transfer."

8. From perusal of the above provision, I find that first proviso inserted through Finance Act, 2016 effective from 01.04.2017 clearly provides that "*where the date of the agreement fixing the amount of consideration and the date of registration for the transfer of the capital asset are not the same, the value adopted or assessed or assessable by the stamp valuation authority on the date of agreement may be taken for the purposes of computing full value of consideration for such transfer*". In the light of the above proviso to section 50C of the Act and on due consideration of the facts of the

instant case, I am of the considered view that the stamp duty valuation of the immovable property sold by the assessee is to be adopted as applicable on the date of receiving the sale consideration through banking channel i.e. 23.11.2011 & 28.11.2011 both falling in F.Y. 2011-12 and not the stamp duty valuation adopted by the CPC based on the registered agreement executed during the F.Y. 2018-19.

9. However, the assessee neither got an opportunity to furnish this information to the CPC nor any opportunity was granted by the Ld.CIT(A), therefore, I am of the view that the issue needs to be restored to the file of the Ld. Jurisdictional Assessing Officer (JAO) for the limited purpose of calculating the stamp duty valuation of the immovable property as on 23.11.2011 and the same shall be compared to the sale consideration of ₹ 5,00,000/- and necessary course of action can be taken thereof in accordance with law. The assessee is also directed to furnish the details and other evidence exhibiting the stamp duty valuation of the said property or the nearby location as applicable for F.Y. 2011-12. Needless to mention that Ld. JAO shall afford a reasonable opportunity of being heard to the assessee and then decide the issue in accordance with law. The assessee is also directed to remain vigilant and not to take unnecessary adjournments unless otherwise required for reasonable cause. Effective grounds of

appeal raised by the assessee are allowed for statistical purposes.

10. In the result, appeal of the Assessee is allowed for statistical purposes.

Order pronounced in the open Court on 11.02.2026

Sd/-
[MANISH BORAD]
ACCOUNTANT MEMBER

Dated : 11th February, 2026

vr/-

Copy to

1.	The appellant
2.	The respondent
3.	The Pr.CIT, Nagpur concerned.
4.	D.R. ITAT, SMC Bench, Nagpur.
5.	Guard File.

By Order

//True Copy //

Senior Private Secretary
ITAT, Nagpur