

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'B' BENCH, CHENNAI
श्री एस.एस. विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री एस.आर. रगुनाथा, लेखा सदस्य के समक्ष
Before Shri S.S. Viswanethra Ravi, Judicial Member &
Shri S.R. Raghunatha, Accountant Member

आयकर अपील सं./I.T.A. No.3834/Chny/2025
निर्धारण वर्ष/Assessment Year: 2015-16

Praveen Sanjiv,
No. 45, W Block, 7th Street, Anna
Nagar, Chennai 600 040.

Vs. The Income Tax Officer,
Non Corporate Ward 7(3),
Chennai.

[PAN: FZZPS0216R]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri D. Anand, Advocate
प्रत्यर्थी की ओर से/Respondent by : Ms. Gouthami Manivasagam, Addl. CIT
सुनवाई की तारीख/ Date of hearing : 18.02.2026
घोषणा की तारीख /Date of Pronouncement : 17.03.2026

आदेश / O R D E R

PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order dated 05.12.2025 passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi for the assessment year 2015-16.

2. Ground No. 1 raised by the assessee is general in nature and requires no adjudication.

3. Ground No. 6 to 10 raised by the assessee in challenging the action of the Id. CIT(A) in confirming the addition made on account of variation in respect of issue under section 56(2)(vii)(b) of the Income Tax Act, 1961 ["Act" in short] and alternatively under section 69 of the Act.

4. Brief facts relating to the issue are that the assessee is an individual and according to the Assessing Officer, no return of income was filed by the assessee. Further, the Assessing Officer issued notice under section 148 of the Act by passing order under section 148A(d) of the Act. In response to the said notice, the assessee filed various documents to explain the source for the purchase and construction, cost of the property including registration charges with reference to purchase of immovable properties as is evident from para 1 at page 2 of the assessment order. According to the Assessing Officer, as there was no explanation with regard to sources by the assessee issuing show cause notice as is evident from page 4 & 5 of the assessment order, applied provisions of section 56(2)(vii)(b) of the Act, added the variation in respect of sale consideration to the total income of the assessee vide para 4.6 of the assessment order. Further, without prejudice to the above addition under section 56(2)(vii)(b) of the Act, the Assessing Officer alternatively made addition under section 69 of the Act by holding that non-disclosure

of assets vide his order dated 19.10.2024 passed under section 144 r.w.s. 260 r.w.s. 144B of the Act. As aggrieved by the order of the Assessing Officer, the assessee preferred an appeal before the Id. CIT(A). Since the contention of non-verification of details filed by the assessee, the Id. CIT(A) remanded the matter to the file of the Assessing Officer under section 251(1)(a) of the Act. As aggrieved by the said order of the Id. CIT(A), the assessee is in appeal before the Tribunal.

5. The Id. AR Shri D. Anand, Advocate submits that the Id. CIT(A)/NFAC failed to adjudicate merits of the addition under section 56(2)(vii)(b) of the Act, particularly, when detailed reasoning, factual explanation and documentary evidences were furnished and he vehemently argued that merely remanding to the file of the Assessing Officer without deciding the issue on merits violates the appellate obligation under section 250(6) of the Act. Further, he submits that the Id. CIT(A)/NFAC failed to adjudicate the legal issue that no income arises under section 56(2)(vii)(b) of the Act, when stamp duty value was not higher than recorded consideration and that the deferred payment of consideration does not trigger the deeming provision. Further, he submits that the Id. CIT(A)/NFAC failed to adjudicate the legal ground that section 69 of the Act does not apply when investments are recorded in the

registered sale deeds and the source of sale consideration (payment) is explained through banking channels. He vehemently argued that the Id. CIT(A) was obligated to decide the said legal ground taking into consideration the merits of the case. He argued that the Assessing Officer erroneously made applicable the provisions under section 56(2)(vii)(b) of the Act and without prejudice, the Assessing Officer also made applicable the provisions of section 69 of the Act. He argued that both the provisions are not at all applicable to the facts and circumstances of the case and without considering the same, the Id. CIT(A) simply remanded the matter to the file of the Assessing Officer, the order of the Id. CIT(A) is not justified and prayed to decide the said legal ground and allow the same.

6. The Id. DR Ms. Gouthami Manivasagam, Addl. CIT submits that the Id. CIT(A) rightly remanded the matter to the file of the Assessing Officer as the case of the assessee needs to be examined afresh on merits. The Id. CIT(A) also offered an opportunity to the assessee to promptly submit the required details and documents as called for by the Assessing Officer. Further, she submits that the assessee purchased two immovable properties worth of ₹.2,55,84,000/- from the builder company and the same was registered in the name of the assessee on two different dates i.e., 13.03.2015 and 23.03.2015 for which consideration of

₹.1,92,00,000/- was only paid on 17.03.2015. The Id. DR submits that the sale consideration paid by the assessee is lesser than the stamp duty value and the Assessing Officer was justified in adding the difference between the total sales considerations reflected and paid to the total income of the assessee. She argued that the assessee did not pay the full consideration and the balance amount of ₹.63,84,000/- is the income of the assessee under the head income from other sources as rightly added by the Assessing Officer under section 69A of the Act. She vehemently argued that the assessee did not file any details before the Assessing Officer and draw our attention to page 3, 4 and 5 of the assessment order. Since no information furnished before the Assessing Officer, the order of the Id. CIT(A) in remanding the matter to the file of the Assessing Officer is justified and prayed to confirm the same.

7. Heard both the parties and perused the material available on record. We note that the assessee raised non applicability of provisions under section 56(2)(vii)(b) of the Act and section 69 of the Act before the Id. CIT(A) vide ground Nos. 4, 5 and 6 in Form 35. On perusal of the impugned order, we note that no finding as such given on the said grounds stating whether the provisions under section 56(2)(vii)(b)/69 of the Act are applicable or not. Further, the assessee also made

submissions in this regard before the Id. CIT(A), which are reproduced in page 15, 16 & 17 of the assessment order, but, however, without considering the same, the Id. CIT(A) proceeded to remand the matter to the file of the Assessing Officer for fresh consideration as rightly pointed out by the Id. AR, without deciding the issue on merits violates the appellate obligation under section 250(6) of the Act. We note that the assessee purchased two immovable properties at Neelankarai, Chennai under registered document vide Nos. 1998/2015 on different dates i.e., on 13.03.2015 and vide document No. 2285/2015 dated 23.03.2015 respectively for each consideration of ₹.1,27,92,000/- totalling to ₹.2,55,84,000/-. We find out of said total consideration, the assessee made payment of ₹.1,92,00,000/- on 17.03.2015 and it was contended by the Id. AR that the balance consideration of ₹.69,84,000/- was paid within one month from the registration. Supporting the said payment of total consideration, he placed on record bank statement for the period from 01.04.2014 to 31.03.2018. On perusal of the same, we note that the said bank statement is in the name of the assessee holding savings bank account in Karur Vysya Bank vide account No. 1154155000200974. On perusal of 2nd page of the said statement, we note that the assessee paid an amount of ₹.1,92,00,000/- on 17.03.2015 vide FTD from 1154.155.200974 to 1154.135.294, which is not disputed by the

Assessing Officer. Further, it is noted that the assessee paid various amount on different dates and the payment details are reflected in the bank statement.

8. On perusal of the same, we find, as rightly pointed out by the Id. AR that the balance amount was not paid in the year under consideration, but, however paid in the next financial year. In this regard, it has to be seen as to whether the finding of the Assessing Officer that when full consideration was not paid within the financial year, the provisions under section 56(2)(vii)(b), alternatively section 69 of the Act are applicable or not? We find that the section 56(2)(vii)(b) of the Act provides that where an assessee acquires immovable property for a consideration less than the stamp duty value, the difference between stamp duty value and actual consideration shall be deemed income of the assessee. We find there is no difference between sale consideration and stamp duty value. On perusal of the said two sale deeds, which are placed on record by the Assessing Officer, we find the total sale consideration as mentioned by the Assessing Officer in page 13 of the assessment order duly reflected in the said registered sale deeds. Further, we find that no finding given by the Assessing Officer that stamp duty value of the said properties is more than the sale consideration reflected in the said two sale deeds.

Therefore, the addition made by the Assessing Officer under section 56(2)(vii)(b) of the Act for non-payment of consideration within the financial year is not justified. Accordingly, we find force in the argument of the Id. AR that the provisions under section 56(2)(vii)(b) of the Act is not applicable. Further, we find force in the argument of the Id. AR that the provision is attracted only where the consideration agreed upon is less than the stamp duty valuation. Therefore, the essential ingredient as contemplated under the provisions of section 56(2)(vii)(b) of the Act are not attracted in the present case.

9. Further coming to the alternative addition made by the Assessing Officer under section 69 of the Act without prejudice to the addition made under section 56(2)(vii)(b) of the Act, we find that the sale consideration was paid through banking channel, which are supported by bank statement as placed on record by the Id. AR. We find the explanation with reference to the sale consideration was given to the Assessing Officer during the course of assessment proceedings as well as before the first appellate authority, but, however, both the authorities below decided the said issue on different perspective without going into verification of bank details. Therefore, when the explanation is offered and the Assessing Officer did not give any finding to that effect, whereas, he has proceeded

to make addition alternatively under section 69 of the Act only on the premise that full consideration was not paid in the same financial year. Therefore, we hold that the entire sale consideration and stamp value fully reflected in the registered sale deed executed before the Government authority and investment is recorded, which cannot be regarded as unexplained investment under section 69 of the Act. Therefore, the addition made under section 69 of the Act alternatively, is not justified and the same is deleted. Thus, ground Nos. 6 to 10 raised by the assessee are allowed.

10. In view of our decision in ground Nos. 6 to 10, ground raised in ground Nos. 2 to 5 become academic.

11. In the result, the appeal filed by the assessee is allowed.

Order pronounced on 17th March, 2026 at Chennai.

Sd/-
(S.R. RAGHUNATHA)
ACCOUNTANT MEMBER

Sd/-
(S.S. VISWANETHRA RAVI)
JUDICIAL MEMBER

Chennai, Dated, 17.03.2026

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant,
2. प्रत्यर्थी/ Respondent,
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR &
5. गार्ड फाईल/GF.