

**IN THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD 'D' BENCH, AHMEDABAD**

**BEFORE DR. BRR KUMAR, VICE PRESIDENT
AND
MS. SUCHITRA KAMBLE, JUDICIAL MEMBER**

ITA No.290/AHD/2026
(Assessment Year: 2020-21)

Ms. Chhaya Divyesh Patel, 28, Meghdoot Society, Karelibaug S.O., Vadodara Gujarat – 390018	Vs.	The Deputy Director of Income Tax, Circle INT TAX, Aayakar Bhavan, Vadodara, Gujarat - 390007
PAN: AEKPP5200M		
(Appellant)	:	(Respondent)

Assessee by	:	Shri Sunil Talati, AR
Respondent by	:	Shri Vijay Kumar Singh, CIT-DR

Date of Hearing	:	30.04.2026
Date of Pronouncement	:	17.06.2026

ORDER

PER : SUCHITRA KAMBLE, J M:

The appeal filed by the assessee is against the order passed by the Dispute Resolution Panel-2, Mumbai-2 (in short “DRP”) dated 23.12.2025 for the Assessment Year (in short “AY”) 2020-21.

2. The assessee has raised the following grounds of appeal:

“1. The Ld. AO has erred in law and on facts in passing the assessment order pursuant to the directions of the Hon'ble Dispute Resolution Panel (DRP) u/s 147 r.w.s 144C (13) of the act. The impugned order, so passed, is unjustified, bad in law, contrary to the provisions of the Income-tax Act, 1961, and liable to be quashed.

2. The Hon'ble DRP erred in issuing cryptic, non-speaking directions without dealing with the specific objections, factual submissions, and evidence placed on record by the appellant, and confirming the draft assessment order without independently adjudicating the objections filed by the appellant, thereby failing to exercise the quasi-judicial powers vested in it u/s 144C(5) of the Act.

3. The Hon'ble Dispute Resolution Panel and the Ld. Assessing Officer have erred in law and on facts in invoking the provisions of section 56(2)(x)(b)(B) of the act by adopting the stamp duty value of Rs. 2,25,99,980/- instead of the actual consideration of Rs. 6,49,000/-, without appreciating that the agreement fixing the consideration was executed prior to the date of registration and that the entire consideration had already been paid before the date of registration. Accordingly, the adoption of stamp duty value as on the date of registration is illegal, unjustified, and contrary to law, and the resulting addition of Rs. 2,25,99,980/- deserves to be deleted.

4. Without prejudice to above the Hon'ble DRP/Ld. Assessing Officer has erred in law and on facts in adopting the stamp duty value of the property as the purchase consideration on a reverse-calculation basis and in making an addition of Rs. 2,25,99,980/- under section 56(2)(x)(b)(B) of the act without appreciating the facts that Stamp duty was paid as per value on the date of Registration. The impugned addition amounting to Rs.2,25,99,980/- is arbitrary, legally unsustainable, and liable to be deleted.

5. Your appellant craves leave to add, alter, and/or amend all or any of the grounds before the final hearing of the appeal."

3. The assessee did not file return of income for AY 2020-21. Notice u/s 148 of the Income Tax Act, 1961 (in short "the Act") was issued to the assessee and the assessee filed return of income on 30.04.2024 declaring total income at Rs.9,89,600/-. The case was selected for scrutiny under draft assessment order dated 30.03.2025 assessing the total income at Rs.2,35,89,580/-. The assessee filed objection against the said proposed assessment on 29.04.2025 before the DRP. The DRP confirmed the addition of Rs.2,25,99,980/- as undisclosed income from other sources as there was no registered agreement or proof of payment made towards token money through banking channel on an earlier date prior to the date of registration of purchase deed i.e. 29.04.2019 furnished by the assessee in support of her contention that purchase consideration should not be taken as Rs.2,32,48,980/- invoking provisions of section 56(2)(x)(b)(B) of the Act.

4. Being aggrieved by the directions of the DRP dated 23.12.2025, the assessee filed appeal before the Tribunal.

5. The Ld. Authorised Representative (in short "Ld. AR") for the assessee submitted that the DRP as well as the Assessing Officer (in short "AO") by

invoking the provisions of section 56(2)(x)(b)(B) of the Act adopted the stamp duty value of Rs.2,25,99,980/- instead of actual consideration of Rs.6,49,000/- without appreciating that the agreement fixing the consideration was executed prior to the date of registration and that the entire consideration had already been paid before the date of registration. The assessee further in alternate submitted that the DRP/AO erred in law in adopting the stamp duty value of the property as the purchase consideration or on a reverse calculation basis without appreciating the fact that stamp duty was paid as per the value on the date of registration. The Ld. AR submitted that during the assessment proceedings, the assessee submitted a reply to various notices issued u/s 142(1) of the Act. In the said reply, the assessee stated that out of 81,269 sq. mts. 79,741 sq. mts. was under dispute with revenue authority of Gujarat State Government. The final court order was received in 2017 and the legal proceedings resulted in favour of the assessee. As per the court order, plot no. 30, with an area of 23,269 sq. mts., and plot no. 56 with an area of 32,821 sq. mts. was received against the said disputed land. The sale deed for plot no. 56 was executed for Rs.25,94,000/- on 29.01.2017 for 27,351 sq. mts. of land. Out of the total area of 32,821 sq. mts., portions belonging to Jashodaben (1,357.50 sq. mts.) and Kiritbhai Patel (4,102.50 square meters), both legal heirs of Chaganbhai Patel were not sold as they expired before the sale of land. Subsequently, another sale deed dated 29.04.2019 was executed between Jashodaben and Kiritbhai Patel legal heirs of chaganbhai as sellers and Mrs. Chhaya Mahendra Patel as purchaser for remaining portion of land for Rs.6,49,000/-. However, at the time of this transaction, the stamp duty was paid as per the jantri value as on 29.04.2019 as per the stamp duty rule of the government (*and to comply with all the rules and regulations of the revenue authority*), but the actual sale consideration was as per the agreement entered into on 12.01.2009. As the stamp duty was paid as per the rules of the government but the purchase consideration was as per the agreement entered earlier, the purchase consideration shall not be taken as Rs.2,32,48,980/- and provisions of section 56(2)(x) shall not be lived on the assessee. The Ld. AR further submitted that the AO while passing the draft assessment order under section 144C of the Act, has erred in considering the

value of the property purchased as Rs.2,25,99,980/- instead of Rs.6,49,000/- by invoking the provision of section 56(2)(X)(b)(B) of the Act, without considering the fact that the said property was originally purchased in year 1984 vide banakhat dated 07.02.1984 and possession karar dated 09.02.1984, however the sale deed for the same was registered on 29.04.2019 due to the legal proceedings on the property. The Ld. AR further submitted that the AO has, on the basis of reverse calculation, considered the stamp duty value of the property purchased as purchase consideration of the property and has made a proposed addition of Rs.2,25,99,980/- by invoking provision of section 56(2)(x)(b)(B) as undisclosed income from other sources, without considering the fact that the registration of the said property was done on 29.04.2019. As per the registration requirement of the revenue authority the stamp duty is to be paid as per the value prevailing at the time of registration irrespective of banakhat or legal dispute. The Ld. AR submitted that the entire transaction satisfies the conditions of the first proviso to section 56(2)(x), which states that if there is a prior agreement fixing the consideration and the payment or part thereof is made through banking channels before the date of registration, then the stamp duty value as on the date of agreement shall be taken for tax purposes but not the value as on the date of registration. The Ld. AR submitted that the assessee has complied with all such conditions, including payment made as per the agreement and the delay in execution was due to genuine circumstances beyond control, including court proceedings and the death of one of the co-owners. The Ld. AR further submitted that since in this case the agreement was signed earlier and most of the payment was made at that time through cheques, the correct value to be considered should be the stamp duty value as on 12.01.2009 (agreement date) as per the provision, the provisions of section 56(2)(x)(b)(B) are not attracted in this case and the addition proposed by the AO is unjustified both on factual and legal grounds. The Ld. AR further submitted that the correct value to be considered should be the sale consideration as on 12.01.2009 (agreement date). Hence, the provisions of section 56(2)(x)(b)(B) of the Act are not attracted in this case.

6. The Ld. Departmental Representative (in short “Ld. DR”) for the Revenue relied upon the assessment order and the directions of the DRP.

7. We have heard both the parties and perused all the relevant materials available on record. The assessee has purchased the property in 1984 and as per the valuation in the year 1990 the assessee has already taken the possession. In fact, in 2001 the sellers have added the names of the legal heirs and in 2009 there was a revision in the sale consideration. The sale deed was registered on 29.01.2017 and was executed for Rs.25,94,000/-. At the time of this transaction, the stamp duty was paid as per the jantri value as on 29.04.2019 but the actual sale consideration was as per the specifications given in the year 2009. The sale deed dated 29.04.2019 was prepared for the remaining amount of consideration i.e. Rs.6,49,000/- and sale agreement dated 29.04.2019 was for undivided share of land which will be divided among four purchasers. At the time of the sale of the land the cost of acquisition will be taken as 1/4th of the total cost of acquisition i.e. Rs.32,01,000/-. Though the stamp duty was paid as per the rules of the government, the purchase consideration was as per the academics entered into on 12.01.2009. The Ld. AR pointed out the documents related to the payment through cheques prior to 2019 and therefore the DRP was not right in confirming the addition thereby invoking the provisions of section 56(2)(x)(b)(B) of the Act. Thus, the AO as well as the DRP has not taken the cognizance of the same. Hence, the AO as well as the DRP was not justified in confirming the addition.

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

Order pronounced in the open court on 17.06.2026

Sd/-
(DR. BRR KUMAR)
VICE PRESIDENT

Sd/-
(SUCHITRA KAMBLE)
JUDICIAL MEMBER

Ahmedabad; Dated: 17.06.2026

* Kishore, Sr. P.S.

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT- concerned
4. DR, ITAT, Ahmedabad
5. Guard File

By order,

Assistant Registrar/Sr.PS/PS
ITAT, Ahmedabad Bench