

**IN THE INCOME TAX APPELLATE TRIBUNAL  
LUCKNOW 'B' BENCH LUCKNOW**

**BEFORE SHRI KUL BHARAT, VICE PRESIDENT AND  
SHRI ANADEE NATH MISSHRA, ACCOUNTANT MEMBER**

I.T.A. No.56/LKW/2026  
Assessment year:2019-20

|                                                        |     |                                              |
|--------------------------------------------------------|-----|----------------------------------------------|
| Vijay Pal Singh,<br>14 Nageta Road,<br>Hardoi - 241001 | Vs. | Assessment Unit,<br>NFAC.<br>PAN:ADJPS 9683H |
| (Appellant)                                            |     | (Respondent)                                 |

|               |                                      |
|---------------|--------------------------------------|
| Appellant by  | Shri Vijay Prakash Agarwal, Advocate |
| Respondent by | Shri R.R.N. Shukla, Addl. CIT-D.R.   |

**ORDER**

**Per :Shri Anadee Nath Misshra, A.M.**

(A) In this case, assessment order dated 21.03.2024 was passed by the Assessing Officer under section (u/s.) 147 r.w.s. 144 B of the Income Tax Act, 1961 (in short the 'Act'), whereby the assessee's total income was determined at Rs.1,99,26,867/- as against returned income of Rs.3,34,590/-.

(B) In the aforesaid assessment order, an addition of Rs.1,95,92,277/- was made on account of 'Long Term Capital Gain' ('LTCG') on immovable property sold by the assessee. The Assessing Officer noted that circle value of the property was Rs.2,52,34,000/-

whereas the sale consideration disclosed in the sale deed was Rs.65,00,00,000/-. During the assessment proceedings, the assessee disputed the valuation of the property at Rs.2,44,34,000/- as per circle rate and requested the Assessing Officer to refer the valuation of the property to the Departmental Valuation Office ('D.V.O.' in short). The Assessing Officer referred the matter to the D.V.O. on 14.03.2024. However, he passed the assessment order dated 21.03.2024, noting that the valuation report of the Assessing Officer was not received by the Assessing Officer till then. The Assessing Officer passed the assessment order in view of the approaching limitation date for passing the assessment order. The relevant portion of the assessment order is reproduced below:

*"As requested by the assessee, the matter of valuation of the above property has been referred to the Departmental Valuation Officer on 14.03.2024 u/s 55A of the Income-tax Act, but report in this regard has not yet been received. Since the assessment is time barring on 31.03.2024, the assessment order is passed on the basis of material available. In case of any variations of the FMV of the property as per the Departmental Valuer's Report, the order may be modified accordingly with reference to such report of the Valuation Officer."*

(C) The assessee filed appeal against the assessment order before the Office of the learned CIT(A). Vide impugned appellate order dated 08.12.2025, learned CIT(A) dismissed the assessee's appeal and retained the addition made in the assessment order.

(D) Present appeal has been filed by the assessee against the aforesaid impugned appellate order dated 08.12.2025 of the learned

CIT(A). In the course of appellate proceedings in Income Tax Appellate Tribunal, a paper book containing the following particulars was filed from the assessee's side:

| <i>S.No.</i> | <i>Description</i>                                                                                      |
|--------------|---------------------------------------------------------------------------------------------------------|
| <i>1</i>     | <i>Copy of Sale deed</i>                                                                                |
| <i>2</i>     | <i>Muktarnama/ Power of Attorney</i>                                                                    |
| <i>3</i>     | <i>Submission Before CIT Appeal</i>                                                                     |
| <i>4</i>     | <i>Bank Statement of all co-owners</i>                                                                  |
| <i>5</i>     | <i>Submission window closed before due date of submission</i>                                           |
| <i>6</i>     | <i>RTI reply dated 18/02/26</i>                                                                         |
| <i>7</i>     | <i>Judgments</i>                                                                                        |
| <i>i.</i>    | <i>Reliance Jute and Industries Ltd. Vs. Income tax Officer [1984] 150 ITR 643(Cal.)</i>                |
| <i>ii.</i>   | <i>Commissioner of Income-tax Vs. Gauranginiben S. Shodhanindl.[2014] 45 taxmann.com 356 (Gujrat)</i>   |
| <i>iii.</i>  | <i>ITAT Cuttack bench in case of Lalit Kumar Jalan Vs. ITO [2024]168 taxmann.com 529 (Cuttack-Trib)</i> |
| <i>iv.</i>   | <i>ITAT Ahmedabad bench B in case of RajniArvindBiral Vs. ITO</i>                                       |
| <i>v.</i>    | <i>ITAT Lucknow bench B in case of Nirmalsingh Vs. ITO ITA No.83/Lkw/2024.</i>                          |

(D.1) Further synopsis was also filed from assessee's side below for the ease of reference; which is reproduced below:

*"GROUND NO 1*

*NOT PRESSED DUE TO INSERTION ON NEW SECTION 147A  
WEF 01/04/2021 IN FINANCE BILL 2026*

*GROUND NO 2*

*The Learned assessing officer has not send the reference u/s 50C in spite of request made by appellant on 27/10/2023 and again requested on 05/12/2023*

*(PB page 83 to 87)*

*The ITAT Lucknow B bench ITA no 83/lkw/2024 has held in the case of Nirmal Singh v ITO has held para 8 and 9 as under-*

*(PB page 144 to 160)*

*8 "We have heard both sides. We have perused the materials available on records. It is not in dispute that vide letter dated 11/11/2021, the assessee requested for reference to Valuation Officer for determination of fair market value of the property purchased by the assessee and the property sold by the assessee. The provisions of Section 50C(2) of the Act as well as proviso to Section 56(2)(vii) (b) of the Act mandate reference by the Assessing Officer to the Valuation Officer when the assessee claims before the Assessing Officer that the value adopted or assessed or assessable Stamp Valuation Authority exceeds the fair market value of the property as on the date of transfer. It is also not in dispute that the Assessing Officer failed to make reference to Valuation Officer, as mandated by the aforementioned provisions of law. In this regard, we find that the issue is squarely covered in favour of the assessee by order of Co-ordinate Bench of ITAT Delhi in the case of ITO Vs. M/s. Aditya Narain Verma (HUF) (supra). In this case, the request of the Departmental Representative that the matter may be set aside to the file of the Assessing Officer for referring the case to Valuation Officer, was rejected. The relevant portion of the order is reproduced as under: -*

*4.1 On the very perusal of the provisions laid down under section 50C of the Act reproduced hereinabove, we fully concur with the finding of the Id. CIT (Appeals) that when the assessee in the present case had claimed before Assessing Officer that the value adopted or assessed by the stamp*

*valuation authority under sub section (1) exceeds the fair market value of the property as on the date of transfer, the Assessing Officer should have referred the valuation of the capital asset to a valuation officer instead of adopting the value taken by the state authority for the purpose of stamp duty. The very purpose of the Legislature behind the provisions laid down under sub section (2) to section 50C of the Act is that a valuation officer is an expert of the subject for such valuation and is certainly in a better position than the Assessing Officer to determine the valuation. Thus, non-compliance of the provisions laid down under sub section (2) by the Assessing Officer cannot be held valid and justified. The Hon'ble' jurisdictional High Court of Allahabad in the case of Shashi Kant Garg (supra) has been pleased to hold that it is well settled that if under the provisions of the Act an authority is required to exercise powers or to do an act in a particular manner, then that power has to be exercised and the act has to be performed in that manner alone and not in any other manner. Similar view has been expressed by the other decisions cited by the Ld. AR in this regard hereinabove. The first appellate order on the issue is thus upheld. The grounds are accordingly rejected."*

*9. Respectfully following the aforesaid order of Delhi Bench of ITAT of Delhi in the case of ITO Vs. M/s. Aditya Narain Verma (HUF) (supra), we hold that the additions made by the Assessing Officer amounting to Rs.2,14,22,053/- and Rs.49,11,947/-, as aforesaid, without reference to the Valuation Officer as mandated by law, has no legs to stand and is unsustainable;"*

*Thus the addition made u/s 50C made and retained by the lower authorities is requested to be deleted.*

### **GROUND NO 3**

*The Learned Assessing Officer as per assessment order has sent the reference u/s 55A as per para 9 instead of section 50C on 14/03/2024 just 7 days before the assessment order passed on 21/03/2024*

*Under Section 55A the AO has to record opinion. The Gujrat High court in the case of Commissioner of Income-tax v. Gauranginiben S. Shodhan 45 taxmann.com 356 has held that AO has to record opinion for the circumstances mention in section 55A In the case of appellant no opinion has been recorded u/s 55A*

*IPB PAGE 111-114]*

*Further the appellant has requested on 05/02/2026 the JAO for copy of reference made u/s 55A as per assessment order, from the reply by the JAO dt 12/02/2026 it reveals that no reference for valuation u/s 55A or 50C has been send.*

*Thus the appellant request that the addition made by the LAO is liable to be deleted*

*Without Prejudice to Ground No 2 and 3*

*GROUND NO 4 & 5*

*That even it is presumed that the LAO has send reference the order passed without awaiting the DVO report u/s 55A.*

*The Calcutta High court in the case of Reliance Jute and Industries Ltd. v Income-tax Officer 150 ITR 843 has held us*

*[PB PAGE 108-110)*

*"In my view, there is considerable force in the arguments of proceeding is liable to be quashed on the grounds that:*

*Dr. Pal and the valuation*

*(a)the opinion of the ITO which is an essential prerequisite for making a reference for valuation under s. 55A of the 1.T. Act is absent in the present case, and*

*(b)the purpose for which alone valuation report can be utilised, namely, for completion of the assessment in conformity with the valuation report is no longer existent, the assessment having been completed in the meantime. In such circumstances, to allow the assailed valuation proceeding to continue, would militate against well-known canons of strict construction of taxing statutes."*

*The ITAT CUTTACK BENCH in the case of Lalit Kumar Jalan v. ITO 168*

*taxmann.com 529 has held for 50C in para 13 as under:- [PB PAGE 115-126]*

*The reference was made to the valuation officer on 22.03.2021 and thereafter the assessment was completed on 18.04.2021 is by making reference of limitation for completing the assessment, the same cannot be extended now solely for want of the valuation report, at the same time, necessary steps should have been taken by the concerned officials to ensure that the report from the office of the valuation officer should reach to the office of the AD within a reasonable time period which both the lower authorities have miserably failed to do. If we allow the AO to modify the order after the receipt of the report from the valuation officer which otherwise is barred by limitations such action would not only reward the revenue with a enhanced limitation period but embolden unscrupulous tax officials to manipulate orders or otherwise mistreat th assessee. Therefore, we delete the addition made by AO who computed the amount of capital gains by takin Rs.1.15 51,737/-being the value taken by stamp authorities as sale consideration as against Rs.17.64.150/- as declare by the assessee and we direct accordingly.*

*The IN THE INCOME TAX APPELLATE TRIBUNAL "B" BENCH, AHMEDABAD in the case of Rajni Arvind Birla v ITO 1.T.A. No. 930/Ahd/2025 has held in para 28 and 29 as under:-[PB PAGE 127-142)*

*28. "In view of the above discussion, we hold that*



- i. on 143(3) read with section 1448 without awaiting The assessment order dated 22.09.2021 passed under section 14 the DVO's report, when such report was statutorily awaited, is not sustainable*
- ii. The subsequent rectification order dated 20.11.2024 under section 154 is also not sustainable, at it seeks to alter the assessment based on material net forming part of the original record and cannot be regarded as a "mistake apparent from record"*
- iii. The assessee's statutory right under section 50C(2) stood violated, and the assessment is consequently, vitiated for breach of mandatory procedure and principles of natural justice.*
- iv. The CIT(A) erred in law and on facts in upholding both the assessment and rectification orders and in confirming disallowances without proper opportunity.*

*29. Accordingly, the assessment order dated 22.09.2021, framed without awaiting the valuation report in violation of the statutory mandate under section 50C(2) read with section 153, as well as Accordingly, the assessment order dated 22.05 2021, framed without awaiting the valuation report in dated 20.11.2024 passed under section 154 on t((2) read with section 153, forming part of the assessment record, are declared to be invalid and are accordingly quashed. As the very foundation of the assessment stands vitiated on account of jurisdictional infirmities and breach of mandatory procedure, no further adjudication on merits of the additions is warranted"*

#### **GROUND NO 6**

*The share of appellant in property sold was 25%, and this fact was mentioned in the submission and sale deed filed before LAO on 27/10/2023.*



*The LAO has treated the appellant as full owner by stating that no where it is written in the document submitted and also presumed that all the payment has been received by appellant.*

*The name of co owners has given power of attorney in favour of appellant. The name of co owner Rukmani Devi, Vijay Laxmi and Manju Lata and their registered power of attorney are mentioned in the sale deed at page 5 and 6 filed on 27/10/2023. Thus the decision of lower authorities that no where it is written in the documents the share of co owners are not correct.*

*[sale deed PB page 5,6] [POA PB 73-82]*

*ky-10*

*Further the learned lower authorities has presumed that all the payments has been received by appellant. This presumption of LAO as well as CIT appeal is not correct. The appellant has filed details before CIT Appeal regarding payments as under:*

*Rs 600000 20/05/2016 recd at the time of agreement to sell dt 25/05/2016*

*Rs 3500000 21/09/2017 deposited in bank a/c of vijay pal singh*

*Rs 600000 31/07/2018 deposited in bank a/c of vijay pal singh*

*Rs 600000 17/09/2018 deposited in bank a/c of manju lata [PB 97-98]*

*Rs 600000 14/09/2018 deposited in bank a/c of Vijay Laxmi [PB 99-100]*

*Rs 600000 31/07/2018 deposited in bank a/c of rukmani devi [PB 101-102]*

*Thus the share of appellant should be restricted to 25%”*

(E) At the time of hearing, Id. Counsel for the assessee submitted that the assessee has requested for referring the valuation of the property to the DVO vide letter dated 11.11.2021. However, he submitted, the Assessing Officer procrastinated on the matter and did not make a reference to the DVO until 14.03.2022 which was very close to limitation date for making assessment (dated 31.03.2022). He further drew our attention to the reply received by the assessee to query made under RTI, which showed that in effect there was no reference made to the DVO. He further drew our attention to the aforesaid synopsis referred to in forgoing paragraph (D.1) of this order to assert that when no reference was made to DVO by the Assessing Officer, despite the assessee making a request for it, in a case in which the assessee disputes the Stamp Duty Valuation, no addition could be made u/s. 50C or u/s. 56(2) of the Act. For this purpose, he placed reliance on the case laws referred to in the aforesaid synopsis and in the paper book referred to in forgoing paragraph (D) in this order.

(F) Id. Departmental Representative (DR) placed reliance on the assessment order and the impugned appellate order of the Id. CIT(A). He also submitted that the issue in dispute should be restored back to the file of the Assessing Officer for the purpose of obtaining valuation report of DVO in the consideration and to pass denovo assessment order based on that. For this purpose, he also drew our attention to Section 155(15) of the Act.

(G) We have heard both sides, and perused the materials on record. The reliance placed by the DR on Section 155(15) of the Act is misplaced. Section 155(15) of the Act comes into play if and when the valuation made by the DVO is revised in any appeal or revision or

reference. In the present case before us, the valuation report of the DVO does not even exist, and therefore, there is no question of any possibility of the valuation report of DVO being revised in appeal or revision or reference. The Assessing Officer has mentioned in the assessment order that vide letter dated 14.03.2022 reference was made to DVO for valuation of property. However, the reply dated 18.02.2026 received by the assessee, to RTI query (placed at page 143 of the aforesaid paper book referred to in forgoing paragraph of this order) showed that in effect there was no reference made to the DVO. For the ease of reference the aforesaid reply dated 18.02.2026 is reproduced below:

*Order u/s 7(1) of Right to Information Act, 2005*

*The applicant has filed an application in this office on 05.02.2026, seeking information under the RTI, Act, 2005.*

| <i>Sr. No.</i> | <i>Information Sought</i>                                                                                                                                                   | <i>Information</i>                                                                                                                                                                                                                                                                                                       |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>1.</i>      | <i>The copy of reference made to the department valuation officer on 14-3-24 u/s SSA (mentioned in para 9 of assessment order) and acknowledgment of sending reference.</i> | <i>The Assessment Unit made reference for assistance for valuation u/s 50C on 12.03.2024. Thereafter Technical Unit submitted Technical Assistance Report (TU to AU) on 14.03.2024 for clarification from Assessment Unit. No further letter from Assessment Unit to Technical Unit is available as per order sheet.</i> |
| <i>2.</i>      | <i>The opinion recorded by assessing officer for sending reference.</i>                                                                                                     | <i>The assessee has objected the value adopted by Stamp Valuation Authority u/s 50C(2) and requested kindly refer the matter to Valuation</i>                                                                                                                                                                            |

|  |          |
|--|----------|
|  | Officer. |
|--|----------|

*The above referred RTI application(s) is hereby disposed. If you prefer to file a further appeal in this matter, you can file an appeal to the First Appellate Authority i.e. Joint Commissioner of Income Tax, Range Sitapur, AaykarBhawan, Head Post Office Road, Sitapur 261001 within 30 days of receipt of this letter."*

(H) It can be readily seen that the technical unit of Income Tax Department submitted technical assistance report on 14.03.2024 for clarification from assessment unit. However, no further letter was sent from the assessment unit and no further letter from assessment unit to technical unit was available. Therefore, it is an obvious inference that reference was not made to DVO. In such a situation, when the assessee disputed valuation of property as per stamp duty authority and requested reference to be made to DVO; and yet the Assessing Officer did not make such a reference to D.V.O., the addition made by the Assessing Officer u/s.50C of the Act cannot be sustained. This issue is squarely covered in favour of the assessee by order of Lucknow Bench of ITAT in the case of 'Nirmal Singh vs. ITO (ITA No. 83/Lkw/2024) order dated 10.10.2024 . The relevant portion of this order is reproduced below for the ease of reference:

*"8. We have heard both sides. We have perused the materials available on records. It is not in dispute that vide letter dated 11/11/2021, the assessee requested for reference to Valuation Officer for determination of fair market value of the property purchased by the assessee and the property sold by the assessee. The provisions of Section 50C(2) of the Act as well as proviso to Section 56(2)(vii)(b) of the Act;mandate reference by the Assessing Officer to the Valuation Officer when the assessee claims before the Assessing Officer that the value adopted or assessed or assessable Stamp Valuation Authority exceeds the fair marketvalue of the property as on the date of transfer. It is also not in dispute that the Assessing Officer failed to*

*make reference to Valuation Officer, as mandated by the aforementioned provisions of law. In this regard, we find that the issue is squarely covered in favour of the assessee by order of Co-ordinate Bench of ITAT Delhi in the case of ITO Vs. M/s. Aditya NarainVerma (HUF) (supra). In this case, the request of the Departmental Representative that the matter may be set aside to the file of the Assessing Officer for referring the case to Valuation Officer, was rejected. The relevant portion of the order is reproduced as under: -*

*"4.1 On the very perusal of the provisions laid down under section 50C of the Act reproduced hereinabove, we fully concur with the finding of the Id. CIT (Appeals) that when the assessee in the present case had - claimed before Assessing Officer that the value adopted or assessed by the stamp valuation authority under sub section (1) exceeds the fair market value of the property as on the date of transfer, the Assessing Officer should have referred the valuation of the capital asset to a valuation officer instead of adopting the value taken by the state authority for the purpose of stamp duty. The very purpose of the Legislature behind the provisions laid down under sub section (2) to section 50C of the Act is that a valuation officer is an expert of the subject for such valuation and is certainly in a better position than the Assessing Officer to determine the valuation. Thus, non-compliance of the provisions laid down under sub section (2) by the Assessing Officer cannot be held valid and justified. The Hon'ble' jurisdictional High Court of Allahabad in the case of Shashi Kant Garg (supra) has been pleased to hold that it is well settled that if under the provisions of the Act an authority is required to exercise powers or to do an act in a particular manner, then Bat power has to be exercised and the act has to be performed in that manner alone and not in any other manner. Similar view has been expressed by the other decisions cited by the Ld. AR in this regard hereinabove. The first appellate order on the issue is thus upheld. The grounds are accordingly rejected."*

*9. Respectfully following the aforesaid order of Delhi Bench of ITAT of Delhi in the case of ITO Vs. M/s. AdityaNarainVerma (HUF) (supra), we hold that the additions made by the Assessing Officer amounting to Rs.2,14,22,053/- and Rs.49,11,947/-, as aforesaid, without reference to the Valuation Officer as mandated by law, has no legs to*

*stand and is unsustainable having regard to applicable law as well as facts and circumstances of the present case before us. Accordingly, we set aside the impugned appellate order dated 03/01/2024 of the Ld. CIT(A) and we direct the Assessing Officer to delete the aforesaid additions of Rs. 2,14,22,053 and Rs. Rs.49,11,947/-."*

(I.1) This issue is also covered in assessee's favour by the orders of ITAT Cuttack Bench in the case of 'Lalit Kumar Jalan vs. ITO' 168 taxmann.com 529 and ITAT Ahmedabad Bench in the case of 'RajniArvind Birla vs. ITO' (ITA No. 930/Ahd/2025). The view in favour of assessee is also consistent with the order of Hon'ble Gujarat High Court in the case of CIT vs. Gauranginiben S. ShodhanIndl. [2014] 45 taxmann.com 356 (Guj). The relevant portion of the order of Hon'ble Gujarat High Court is reproduced below:

*"13. We are conscious that section 50C of the Act introduced in the statute by Finance Act, 2002 with effect from 1.4.2003 now provides for special provision for full value of consideration in certain cases. The said section provides a deeming fiction under which consideration received or accruing as a result of transfer of a capital asset being land or building or both can be replaced by the value adopted or assessed or accessible by stamp valuation authority for the purpose of payment of stamp duty in respect of such transfer. Sub-section (2) of section 50C, however, permits the assessee to dispute such valuation adopted by the State Stamp Valuation Authority and in such a case, it is open for the Assessing Officer to refer the valuation of the capital asset to a Valuation Officer. Present is not a case of this nature, as is clear from the assessment order in which the Assessing Officer has referred the reference to DVO. Even otherwise, we are informed that in the present case, sale consideration reflected in the sale deeds was higher than the valuation adopted by the Stamp Valuation Authority.*



*14. Somewhat similar question came up for consideration before this Court in judgment dated 28.3.2011 in the case of CIT v. Girish Damjibhai Patel [Tax Appeal No. 1016 of 2009] and allied matters, in which it was held and observed as under:-*

*"20. Quite apart from the CIT (A) discarding the very Valuer's Report, we find that the reference itself was not competent insofar as he wanted to ascertain fair market value of the land on the date of sale. In absence of any material on record before us by which Assessing Officer could have concluded that the consideration indicated in the sale-deed did not reflect the full consideration received by the assessee, it was not possible to assess the capital gain by estimating what would be the fair market value of the land through valuer's report.*

*21. Decision of the Delhi High Court in the case of CIT v. Smt. Nilofer 1. Singh [2009] 309 ITR 233 was also brought to our notice; wherein, relying on the decision of George Henderson & Co. Ltd. (supra) and Gillanders Arbuthnot & Co. (supra), the Division Bench observed that expression "full value of consideration" used in Section 48 of the Act does not have reference to the market value but only to the consideration referred to in the sale deed as sale particulars of the assets which have been transferred."*

*15. Coming to the question of reference to DVO for ascertaining the fair market value as on 1.4.1981 also, we find that such reference was not competent. We have noticed that prior to the amendment in section 55A with effect from 1.7.2012 in a case, the value of the asset claimed by the assessee is in accordance with the estimate made by the Registered Valuer, if the Assessing Officer was of the opinion that the value so claimed was less than its fair market value as on 1.4.1981. It would not be the case of the Assessing Officer that the value of the asset shown as on 1.4.1981 was less than the fair market value. Such clause, therefore, as it stood at the relevant time, had no application to the valuation as on 1.4.1981. We are conscious that with effect from*



*1.7.2012, the expression now used in clause (a) of section 55A is "is at variance with its fair market value". The situation may, therefore, be different after 1.7.2012. We are, however, concerned with the period prior thereto. Clause (b) of section 55A is in two parts and permits a reference to DVO if the Assessing Officer is of the opinion that (i) the fair market value of the asset exceeds the value of the asset so claimed by the assessee by more than such percentage of the value of the asset so claimed or by more than such amount as may be prescribed in this behalf; or (ii) that having regard to the nature of the asset and other relevant circumstances, it is necessary so to do. Sub-clause(i) of clause (b) also for the same reasons recorded above, would have no bearing on the fair market value as on 1.4.1981. The Assessing Officer had not resorted to sub-clause(ii) of clause (b). In any case, clause (b) would apply where clause(a) does not apply since it starts with the expression "in any other case". In other words if assessee has relied upon a Registered Valuer's Report, Assessing Officer can proceed only under clause (a) and clause (b) would not be applicable.*

*16. In the present case, admittedly the assessee had relied on the estimate made by the Registered Valuer for the purpose of supporting its value of the asset. Any such situation would be governed by clause (a) of section 55A of the Act and the Assessing Officer could not have resorted to clause (b) thereof as held by the Division Bench of this Court in the case of Hiaben Jayantilal Shah v. ITO [2009] 310 ITR 31/181 Taxman 191 (Guj.). In the said decision, it was held and observed as under:-*

*"10. Under clause(a) of sec. 55A of the Act under the Assessing Officer is entitled to make the reference to the Valuation Officer in a case where the value of the asset as claimed by the assessee is in accordance with the estimate made by the Registered Valuer, if the Assessing Officer is of the opinion that the value so claimed is less than the fair market value. In any other case, as provided under clause(b) of Sec. 55A of the Act, the Assessing Officer has to record an opinion that (i) the fair market value of the asset exceeds the*

*value of the asset as claimed by the assessee by more than such percentage or by more than such an amount as may be prescribed; or (ii) having regard to the nature of the asset and other relevant circumstances, it is necessary to make such a reference."*

*17. In the result, we see no reason to interfere. However, we have given our independent reasons and should not be seen to have confirmed the reasonings adopted by the Tribunal in the impugned judgment. Tax Appeal is dismissed."*

(I.2) The submissions made by the Id. DR to restore the issue regarding valuation of property by DVO back to the file of the Assessing Officer is unfair and unjust. The assessee made a request on reference to D.V.O. but the Assessing Officer did not make a reference for a long time i.e. until it was 14.03.2022. Even after that, the assessment unit did not respond to query of technical unit of Income Tax Department when clarification was requested from assessment unit. This aspect has already been discussed earlier in this order. Thus, the assessee is not responsible in any manner for reference not being made to the DVO. The delay in making reference to DVO was entirely because of laches and negligence on the part of the Assessing Officer. The limitation period provided to the Assessing Officer for completion of assessment includes time taken in valuation by D.V.O., when the assessee disputes the valuation adopted by stamp duty authority. There is no provision for extension of limitation period for completion of assessment, for time taken in valuation by D.V.O., on a reference be made to DVO for valuation of property. If this issue is restored back to the file of the Assessing Officer it will the tantamount to extending the period of limitation for completion of assessment; which will not be in accordance with law. Therefore, we decline this request made by the

Learned D. R. (I.2.1). In view of the foregoing, the aforesaid addition of Rs. 1,95,92,277/- is hereby deleted.

(J) As we have already deleted the aforesaid addition of Rs.1,95,92,277/- ; other issues raised in the ground of appeal are merely academic in nature; hence not decided.

(K) In the result, the appeal of the assessee stands allowed for statistical purposes.

(Order pronounced in the open court on 30.03.2026)

Sd/.  
**(KUL BHARAT)**  
**Vice President**

Sd/.  
**(ANADEE NATH MISSHRA)**  
**Accountant Member**

Dated 30.03.2026

Aks/-

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**Copy of the order forwarded to :**

1. The Appellant
2. The Respondent.
3. Concerned CIT
4. D.R., I.T.A.T.,