IN THE INCOME TAX APPELLATE TRIBUNAL,
JAIPUR BENCHES, "A" BENCH, JAIPUR

BEFORE SMT. ANNAPURNA GUPTA, ACCOUNTANT MEMBER
&
SHRI T. R. SENTHIL KUMAR, JUDICIAL MEMBER

ITA No. 1523/JPR/2025
(Assessment Year:2015-16)

M/s Kashyan Promoters And Developers Pvt. Ltd. Kalani & Co LLP, Chartered Accountants, 5th Floor, Milestone Building, Gandhinagar Turn, Tonk Road, Jaipur	Vs.	ITO Ward 5(2) Jaipur
स्थायीलेखासं./जीआइआरसं./PAN/GIR No:AACCK 6879 Q		
Appellant	..	Respondent

Appellant by :	Sh. P.C. Parwal, CA
Respondent by :	Sh. Bhanwar Singh Ratanu, CIT

Date of Hearing	25.05.2026
Date of Pronouncement	05.08.2026

O R D E R

Per Annapurna Gupta, AM:-

The present appeal has been filed by the assessee against the order passed by the National Faceless Appeal Centre (NFAC), Delhi(hereinafter referred to as "Ld. CIT(A)"), dated 14.08.2025under

Section 250 of the Income Tax Act, 1961 (hereinafter referred to as "the Act").

2. The grounds raised by the assessee read as under:-

1. The Ld. CIT(A), NFAC has erred on facts and in law in confirming the addition of Rs.4,51,89,500/- u/s 43CA of IT Act, 1961 in respect to sale of 6.690 hectare land situated at Madrampura, Sikarpura, Vatika, Sanganer, Jaipur by applying the provisions of section 43CA of IT Act, 1961 which came in force w.e.f. 01.04.2014 by Finance Act, 2013 by not accepting the contention of assessee that the provisions of section 43CAcannot be applied to substitute the actual sale consideration with the stamp value in the previous year relevant to AY 2012-2013 when the sale agreement was made and part payment was received by cheque. It has further erred in upholding the action of AO in applying the DLC rate applicable for individual plots for entire 6.690 hectare land which equals to 66,900 sq. mt.without appreciating the fact that plotting cannot be made on the entire land and 50% of the land is required to be left for roads & facilities for plotting in the land.

2. The Ld. CIT(A), NFAC has erred on facts and in law in confirming the addition of Rs. 1,88,77,925/- in respect to sale of 2.7935 hectare agricultural land situated at Madrampura, Sikarpura, Vatika, Sanganer, Jaipur by applying the provisions of section 43CA of IT Act, 1961 which came in force w.e.f. 01.04.2014 by Finance Act, 2013 by not accepting the contention of assessee that the provisions of section 43CA cannot be applied to substitute the actual sale consideration with the stamp value in the previous year relevant to AY 2012-2013when the sale agreement was made and part payment was received by cheque. It has further erred in upholding the action of AO in applying the DLC rate as applicable for abadi land (converted land) without appreciating the facts that as on the date of agreement as well as on registration of sale deed the status of the land was agricultural land and not abadi land.

3. The Ld. CIT(A), NFAC has erred on facts and in law in confirming the addition of Rs. 1,13,33,450/- in respect to sale of 0.7025 hectare agricultural land situated at Keshawala, Muhana, Sanganer, Jaipur by applying the provisions of section 43CA of IT. Act, 1961 which came in force w.e.f. 01.04.2014 by Finance Act, 2013 by not accepting the contention of assessee that the provisions of section 43CA cannot be applied to substitute the actual sale consideration with the stamp value in the previous year relevant to AY 2012-2013 when the sale agreement was made and part payment was received by cheque. It has further erred in upholding the action of AO in applying the DLC rate as applicable for abadi land (converted land) without appreciating the facts that as on the date of agreement as well as on registration of sale deed the status of the land was agricultural land and not abadi land.

4. The Ld. CIT(A), NFAC has erred on facts and in law in not accepting the contention of assessee of referring the property in question to Valuation Officer for determination of fair market value as on the date of agreement for sale of the property as per the provisions of sub-section (2) of section 43CA by holding that assessee had never objected to the valuation fixed by the Stamp Valuation Authority and had in fact willingly adopted the DLC values to work out the valuation.

5. The appellant craves to alter, amend & modify any ground of appeal.

6. Necessary cost be awarded to the assessee.

3. As is evident from a perusal of the grounds raised before us, the short issue in dispute before us pertains to the invocation of Section 43CA of the Act in the facts of the present case, resulting in an addition of Rs.7,54,00,875/- being made to the income of the assessee on account of the transaction of sale of three lands undertaken by the assessee during the year. The addition made u/s 43CA of the Act with respect to each of the lands sold by the assessee has been agitated in the ground Nos. 1 to 3 raised before us amounting to Rs.4,51,89,500/-, Rs.1,88,77,925/- and Rs.1,13,33,450/- with respect to the three lands sold by the assessee during the year.

4. The orders of the Authorities below reveal the facts of the case as the assessee being a private limited company engaged in the business of Development and Trading of lands and plots. During the impugned the assessee was noted to have sold three pieces of land to M/s Aristocratic Ventures LLP for a consideration of Rs.2.85 crores. The AO noted from the details and documents filed before him, that the agreement was executed on 27.06.2011 between the assessee and M/s Aristocratic Ventures LLP for sale of the above properties as per which the total

consideration was decided of Rs.3.01 crores and advance of Rs.2.41 crores was taken by the assessee through RTGS. The agreement stated in the case of failure to make payment within six months from the date of agreement, the sale consideration would be Rs.2.85 crores instead of Rs.3.01 crores. The sale deeds for these properties were registered during the impugned year for a total consideration of Rs.2.85 crores. The AO invoked Section 43CA of the Act, to the impugned transaction as per which, the stamp duty value of the property sold is to be substituted for the actual consideration, where the consideration accruing as a result of transfer of land and building held as stock in trade is less than its stamp valuation.

5. Further, the AO noted that since, the assessee had made agreement to sell in the year 2011-12 and part payment was received through cheque, the DLC / stamp duty rates for 2011-12 were applicable for the purposes of substituting the actual sale consideration as per sub-Section 3 of Section 43CA of the Act, as per which, where the date of agreement fixing the value of consideration for transfer of the asset and the date of registration of the transfer were not the same, then the stamp duty value to be considered for the purpose of Section 43CA of the Act was to be taken as on the date of the entering into the agreement to sell.

6. Therefore, on the basis of DLC rates of 2011-12, the AO worked out the addition to be made u/s 43CA of the Act, on account of the difference in the stamp duty value of the land sold as on 20.11.2012 and the actual consideration received by the assessee amounting to

Rs.7,54,00,875/-. The details of the same are contained at page 8 of the assessment order as under:-

Land at (1)	Area in sq.mtr (2)	DLC rate in Rs. on date of agreement (3)	Total consideration in Rs. as per col. (4)	Total consideration in Rs. shown in ITR (5)	Proposed addition on account of difference (In Rs.) ((4-5)	Remarks
Madrampura	66900	955 per sq.mtr.	63889500	18700000	45189500	DLC rate applied for residential area(non approved) on 30 ft. road as on 9.3.2011 as per DLC chart and copy of registered sale deed in other case obtained.
Madrampura	27935	955 per sq.mtr.	26677925	7800000	18877925	-do-
Keshyawala	7025	1898 per sq.mtr.	13333450	2000000	11333450	DLC rate of residential area on krishi bhoomi as per DLC chart
			103900875	28500000	75400875	

Addition accordingly, was made of Rs.7.5 crores to the income of the assessee u/s 43CA of the Act.

7. The assessee challenged the same before the Ld. CIT(A) contending that

i) The provisions of Section 43CA of the Act were not applicable in the facts of the present case, since the agreement to sell was entered into prior to the provision being introduced on the statute w.e.f. AY 2014-15.

ii) That the stamp duty value considered by the AO was not correct, since the AO had adopted the stamp duty value on abadi land while two of the lands which were sold were agricultural lands and the one of the land sold had not even been plotted for abadi purposes.

iii) That since the assessee had objected to the stamp duty value adopted by the AO, he was duty bound to refer the valuation of the fair market value of the land sold to the DVO, which the AO had not done in the facts of the present case.

8. The Ld. CIT(A) rejected all the contentions raised by the assessee and accordingly, confirmed the addition made by the AO. Aggrieved by which the assessee has come up in appeal before us.

9. The ld. Counsel for the assessee reiterated the arguments made before the Ld. CIT(A), while the Ld. DR relied on the order of the AO and in support of the findings of the Ld. CIT(A).

10. We have heard both the parties. We shall first deal with the contention raised by the ld. Counsel for the assessee before us, that the provision of Section 43CA of the Act were not applicable in the facts of the present case.

11. The contention of the ld. Counsel for the assessee before us was that Section 43CA of the Act was brought on the statute by Finance Act 2013 w.e.f. 01.04.2014 and was applicable from AY 2014-15 onwards. That in the facts of the present case, the assessee had originally entered into an agreement to sell the impugned pieces of land on 27.06.2011 and almost the entire consideration agreed for the impugned transaction was received in advance by the assessee in 2011 when the agreement to sell was entered into. He pointed out, that while the consideration for the transfer of the impugned properties was Rs.2.85 crores, the assessee

had received Rs.2.41 crores in 2011 itself. He contended that, even the AO had considered the stamp duty value of the property Act as on 27.06.2011, when the agreement to sell was entered, for substitution of the actual sale consideration in terms of Section 43CA of the Act, by invoking Sub-Section 3 to Section 43CA of the Act .

12. Ld. Counsel for the assessee contended therefore, that for all purposes, the transaction had been entered into in 2011 when the agreement for sale had been entered into and in the said year the provisions of Section 43CA of the Act were not on the statute. He therefore, contended that the invocation of Section 43CA of the Act in the facts of the present case was not in accordance with law. In this regard, he drew support from various decisions:-

i) Hon'ble ITAT, Visakhapatnam Bench in case of M**. Siva Parvathi & Ors Vs. ITO [2011] 7 ITR 468**

ii) Hon'ble Allahabad High Court in case of **CIT Vs. Shimbhu Mehra [2013] 236 taxman 561**

13. Ld. DR on the other hand relied on the order of the Ld. CIT(A). He drew our attention to para 6.1.3 to 6.1.6 of the order as under:-

> *6.1.3 Having duly considered the facts on record, the A.O's findings in the assessment order and the appellant's submissions, the grounds of appeal areadjudicated as under.*
>
> *It is noted that the appellant entered into agreement to sale of 3 parcels of land with M/s Aristocratic Ventures LLP for the transfer of immovable property in financial year 2011-12. The agreement was executed on 27.06.2011 for the properties as under-*
>
> *1)Land at village Madrampura Sikarpura, Vatika, Sanganer, Jaipur (26.49 Bigha) for sale consideration of Rs. 1,87,00,000/-*
>
> *2) Land at village Medrampura Sikarpura, Vatika, Sanganer, Jaipur (11.06 Bigha) for sale consideration of Rs. 78,00,000/-*

3)Land at village Keshawala, Muhana, Sanganer, Jaipur (2.7819 Bigha) for sale consideration of Rs. 20,00,000/-

6.1.4 The provisions of section 43 CA which was inserted by the Finance Act, 2013, w.e.f. 1-4-2014 are as under:

43CA. (1) Where the consideration received or accruing as a result of the transfer by an assessee of an asset (other than 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 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 computing profits and gains from transfer of such asset, be deemed to be the full value of the consideration received or accruing as a result of such transfer.

(2) The provisions of sub-section (2) and sub-section (3) of section 50C shall, so far as may be, apply in relation to determination of the value adopted or assessed or assessable under sub-section (1). TAX DEP

(3) Where the date of agreement fixing the value of consideration for transfer of the asset and the date of registration of such transfer of asset are not the same, the value referred to in sub-section (1) may be taken as the value assessable by any authority of a State Government for the purpose of payment of stamp duty in respect of such transfer on the date of the agreement.

(4) The provisions of sub-section (3) shall apply only in a case where the amount of consideration or a part thereof has been received by any mode other than cash on or before the date of agreement for transfer of the asset.]

It is not disputed that the sale deed in respect of the above transferred properties was executed during the F.Y relevant to A.Y 2015-16. Thus transfer of the asset undisputedly occurred during the A.Y 2015-16. The appellant's argument that section 43CA cannot be invoked as the section was not in statute when the agreement to salewas executed ie on 27.06.2011 appears to be based on an erroneous premise that the transfer took place on 27.06.2011.

6.1.4 The A.O has clearly highlighted in the assessment order, the fact that transaction for transfer of assets was completed in the year 2014-15 ie at the time of registration of sale deed and not in F.Y 2011-12 i.e. at the time of sale agreement. It was noted by the A.O that as evident from the sale deeds, the possession was also with the assessee, all rights were vested with the assessee and there was no right with the buyer parties at the time of agreement to sale. The assessee only received part payment in advance for which an agreement was made. Hence, when the transfer was not complete in the year of agreement then there is no question to claim that the law in force at the time of *completion of transaction is not applicable in this case only for the reason that transaction was agreed to be made in earlier years when this section/provisions was/were not in operation.*

6.1.5 Further it is noted that as also pertinently pointed out by the A.O, the very fact that there is a specific provision in sub section (3) of section 43CA which provides for situations such as the appellant's that when the date of agreement for fixing the value of consideration for transfer of the asset and the date of registration of such transfer are not the same, the value referred to in sub-section (1) may be taken as the value assessable by the stamp authority in respect of such transfer on the date of the agreement, takes care of possible grievances and hardship that could arise on account of date of agreement fixing the value of consideration for transfer of the asset being different from the date of registration of such transfer. From a plain reading of the section, it is clear that the statute has factored in the possible differential in dates of agreement versus date of execution of sale deed, which leads to the inevitable conclusion that the date of transfer as per Section 43CA is the latter date i.e. date of registration of sale deed.

6.1.6 This correctness of this stand is highlighted by the judgement of the jurisdictional ITAT Jaipur Bench in 'A' SpytechBuildcon v. ACIT, Circle-6, Jaipur [2021] 129 taxmann.com 175 (Jaipur Trib.). In this case the Assessee-firm was engaged in business of real estate development and during relevant previous years sold three flats at value less than Fair Market Value as on date of registration of sale deed. The Assessing Officer proposed to make addition under section 43CA on differential amount of consideration shown in document and Stamp Duty Valuation whereas Assessee contended before Assessing Officer that at point of time agreement for sale of flats in question were entered into with customer, section 43CA was not in Statute Book and, thus, provisions of section 43CA were not applicable. The ITAT held in favour of revenue that merely because an agreement had taken place prior to 1-4-2013 it would not take away the transaction from ambit ofprovisions of section 43CA.

It was held as under:

"As per sub-section (3) and (4) of section 43CA, the benefit of prior agreement is granted if the consideration is received at the time of agreement other than cash. In the case in hand, the booking is claimed to have been made prior to 01/04/2013 whereas the sale deeds were executed after 1-4-2013 which falls in the previous year relevant to the assessment year under consideration, therefore, provisions of section 43CA are applicable for the assessment year under consideration. Thus once the provisions itself has taken care of such a situation or difference in date of prior agreement, then the applicability of provisions cannot be questioned based on mere existence of prior agreement. The transfer under the provisions of section 43CA is recognized only when a registered document is executed and therefore, in view of the facts and circumstances of the case, since the transfer through sale deed is made during, the previous year relevant to the assessment year under consideration for which the provisions of section 43CA are

applicable, then merely because an agreement has taken placed prior to 01/4/2013 would not take away the transaction from the ambit of the provisions of section 43CA of the Act. More particularly when the entire sale consideration was not made through account payee cheque at the time of entering into an agreement to sell. Thus, while relying upon the decision of the Coordinate bench of this Tribunal in the case of Spytech Realtors (P.) Ltd. v. Asstt. CIT [IT Appeal No. 254 (JP) of 2019, dated 2-1-2020] wherein similar circumstances in the group case of the assessee itself has been decided on this issue against the assessee. Therefore, considering the totality of facts and circumstances as discussed above, we do not find any error or illegality in the impugned orders of the authorities below."(emphasis provided)

In view of the above discussion, the appellant's contention/ground with regard to non - applicability of Section 43CA is found to be non-maintainable and is dismissed.

14. Referring to the same, he pointed out that the Ld. CIT(A) had relied on the decision of the ITAT Jaipur Benches in the case of M/s Spytech Buildcon (Supra) in support of his decision that the provision of Section 43CA of the Act were applicable in the facts of the present case, since the transfer of asset by the assessee, which primarily attracted the provisions of Section 43CA of the Act ,was effected in the impugned year itself.

15. Considering the averments made by both the parties as above, and on going through the decisions relied upon by both the sides, we find merit in the contention of the ld. Counsel for the assessee that the provisions of Section 43CA of the Act were not applicable in the facts of the present case.

16. As noted above, that the transfer of the three pieces of land was initiated through an agreement to sell on 27.06.2011 wherein the consideration was fixed at Rs.3.01 crores and Rs.2.47 crores had been received in advance by RTGS i.e. by modes other than the cash. It was agreed between the parties that if the balance consideration is not paid

within six months then the consideration would be reduced to Rs.2.85 crores. Ld. Counsel for the assessee had pointed out though, that as per the agreement the assessee was required to complete the work of opening mutation in the land records and 90B proceedings within six months from the date of agreement and if the same were not done, the sale consideration would be reduced to Rs.2.85 crores. Admittedly, since the registration was executed six months after entering into the sale agreement and the assessee was unable to fulfill the requirements as mentioned in the agreement to sell, the transfer of the impugned property was executed at the consideration agreed upon in the agreement to sell at Rs.2.85 crores in the impugned year.

17. Even the AO has recognized the fact that the sale agreement entered into by the assessee on 27.06.2011 fixed the value of consideration for the sale of the asset, though the date of registration for the sale was a different year, since the AO has invoked sub-Section 3 to Section 43CA of the Act for consideration the stamp duty value of the land transferred as on the date of agreement to sell for the purposes of calculating the excess from the actual consideration received as per Section 43CA of the Act.

18. We have noted that, the ITAT Visakhapatnam Bench in case of M. Siva Parvathi & Ors. (Supra) was seized with an identical issue, though in the context of Section 50C of the Act. We may add that Section 50C of the Act is pari materia to Section 43CA of the Act. That while Section 50C substitutes the stamp duty value of a property to the actual consideration received (if higher) ,while computing the

capital gains earned on transfer of a capital asset being land or building, Section 43CA of the Act does the same, i.e. substitutes the stamp duty value of the property to the actual consideration received (if higher) but on the transfer of an asset other than the capital asset. There is no doubt that both the Sections 50C and 43CA of the Act are pari materia though their scope of operations are different; that while Section 50C of the Act operates for capital assets, being in the nature of land and building, alone, Section 43CA of the Act covers the assets in the nature of land and building not capital assets and primarily arises in case of such assets held as stock in trade.

19. In the case of M. Siva Parvathi & Ors. (Supra) the sale deed was registered with the Registration Authorities on 11.10.2004 when the provisions of Section 50C were there on the statute having been inserted by Finance Act 2002 w.e.f. 01.04.2003. However, the agreement to sell the property was entered way back in August 2001, but due to disputes created by the persons who claimed to be heirs of the seller of the property, i.e. the assessee, the sale could not be completed immediately and after settling all disputes the sale deed was registered in October 2004. In the facts of the said case also, it was argued that when the agreement to sell was entered into, which was ultimately acted upon and culminated into the registered sale deeds, the provisions of Section 50C were not on the statute, and therefore, the provisions could not be invoked in the case of the assessee.

20. It was argued that the transaction was actually entered into when the agreement to sell was entered and was completed on another date

and if there is a change in law in the intervening period then the subsequent amendment will not change the character of the transaction and the law that existed at the time of entering into the transaction would prevail over the amendments subsequently made. The ITAT concurred with the assessee and held that the character of the transaction vis-à-vis the Income Tax Act should be determined on the basis of law that prevailed on the date the transaction was initially entered into. That since the final registration of the same is only fulfillment of the contractual obligation, the logical conclusion is that the provisions which had not completed at the time of entering into the transaction initially would not also apply at the time the transaction is completed. The relevant findings of the ITAT in the said case as contained at para 8.10 of the order as under:-

> ………
> *8.10 The periods of the impugned transactions have fallen in the transition phase of law, i.e., the sale agreement was entered before the introduction of s. 50C and the registration was completed after the introduction of said section. As pointed out by Hon'ble apex Court in the case of K.P. Varghese (supra), the assessees have only fulfilled the contractual obligation imposed upon them by virtue of the sale agreement.The ratio of the decisions in the cases of Nirmal Textiles (supra) and Laxman Singh (supra) is that the character of the transaction vis-a-vis IT Act should be determined on the basis of the law that prevailed on the date the transaction was initially entered into. However actual computation of income and income-tax would be made as per the law existing on the 1st April of the relevant assessment year. If we look at the impugned transactions from the point of view of this legal proposition, we notice that the provisions of s. 50C cannot be applied to the sale agreement as the said section was not available in the statute book at that time. Even otherwise, as stated earlier, there is no suppression of actual consideration. Consequently, since the final registration of the sale is only in fulfilment of the contractual obligation, the logical conclusion is that the provisions which do not apply at the time of entering into the transaction initially would not also at the time the transaction is completed. In view of the above, we are unable to agree with the arguments of learned Authorised Representative that the computation provisions fail in the facts and circumstances of the case. In our opinion, the final argument of the learned*

Authorised Representative that the FMV cannot be substituted in the absence of charging section is not relevant under the peculiar facts and circumstances of the case.
8.11 In view of the foregoing discussions and on consideration of the facts and circumstances of the case and legal propositions discussed in the preceding paras, we are led to d to the logical conclusion that the provisions of s. 50C should not be made applicable to these assessees and we order accordingly.
………………

21. The Ld. CIT(A) has relied on a contrary decision of the ITAT Jaipur Benches in the case of M/s Spytech Buildcon (Supra). We have gone through the said decision and we find that the same is distinguishable on the facts. In the facts of the said case, the assessee had failed to establish that the sale consideration was received through account payee cheques on the date of entering into the agreement to sell. The ITAT held the provisions of Section 43CA of the Act to be applicable noting that the entire sale consideration was not paid through account payee cheques at the time of entering into agreement to sell. The findings in this regard are contained at page 9 of its order as under:-

……..
The transfer under the provisions of section 43CA is recognized only when a registered document is executed and therefore, in view of the facts and circumstances of the case, since the transfer through sale deed is made during, the previous year relevant to the assessment year under consideration for which the provisions of Section 43CA are applicable, then merely because an agreement has taken placed prior to 01/4/2013 would not take away the transaction from the ambit of the provisions of Section 43CA of the Act. More particularly when the entire sale consideration was not made through account payee cheque at the time of entering into an agreement to sell.
………

22. The decision in the case of M/s Spytech Buildcon (Supra), therefore, being distinguishable on facts, we hold has been wrongly relied upon by the Ld. CIT(A), while holding that the provisions of Section 43CA of the Act will apply in the facts of the present case.

Further while going through the order of ITAT in the case of M/s Spytech Buildcon (Supra), we have noted that the assessee in the said case had relied on the decision of the ITAT Ranchi Bench in the case of Bajrang Lal Naredi Vs. ITO in ITA No. 327/Ran/2018 dated 20.01.2020. We have gone through the said decision, and we have noted that in the said case, the issue before the Bench was the applicability of Section 56(2)(vii)(b) of the Act. The issue was the applicability of pre-amended provisions of Section 56(2)(vii)(b) of the Act. The pre-amended provisions of Section 56(2)(vii)(b) of the Act provided for addition being made to the income of assessees where any immovable property was received by individual or HUF without consideration. Subsequently the provisions of Section 56(2)(vii)(b) of the Act were amended by Finance Act 2013 applicable from AY 2014-15 expanding the scope of the provision to cover purchase of immovable property for **inadequate consideration as well**. The contention of the Revenue was that the amended provision will apply in the facts of the said case, the registration of the immovable property had been carried out in the impugned year i.e. AY 2014-15, when the amended law had come into force, however, the assessees contention was that it would be covered by the pre-amended provision in view of the fact that the agreement for purchase of the property was entered into with the prospective seller in preceding year i.e. FY 2011-12 relevant to AY 2012-13 when the new law was come in force. The assessee was noted to have paid the purchase consideration at the time of entering into agreement to sell and it was contended that the purchase was de facto completed except for the formality of registration. The ITAT, we have noted ,found merit in the plea of the assessee noting that, in the impugned year before it, the assessee had only registered the agreement which already stood executed in the earlier years and the substantial application had also been discharged and substantive right had accrued to the assessee therefrom. It was accordingly held that pre-amended provisions would apply. The issue is discussed at para 6 and 7 of the order as under:-

> *…….*
> *6. We have carefully considered the rival submissions on the issue. In the instant appeal, the applicability of Section 56(2)(vii)(b) of the Act as amended by Finance Act, 2013 and applicable to AY 2014-15 in question. On a perusal of pre-amended provisions of Section 56(2)(vii)(b) of the Act, we gather that where an individual or HUF receives from any person any immovable property without consideration, the provisions of pre-amended Section 56(2)(vii)(b) of the Act would apply. The aforesaid provisions washowever substituted by Finance Act, 2013 and made applicable to AY 2014-15 onwards. As per the amended provisions, the scope of substituted provision was expanded to cover purchase of immovable property for inadequate consideration as well. It is alleged on behalf of the Revenue that the amended provision will apply in view of the fact that registration has been carried out during the FY 2013-14 concerning AY 2014-15 where the amended law came into force. The assessee, on the other hand, seeks to claim that his case would be covered by pre-amended provision in view of the fact that agreement for purchase of the property was entered into with the prospective seller in FY 2011-12 relevant to AY 2012-13 at which time the new law did not come into play. It was claimed that the purchase consideration was duly paid at the time of agreement in FY 2011-12 and the purchase was de facto completed except for the formality of registration. It was thus submitted that the transactions entered prior to the FY 2013-14 would be governed by the pre-amended provision which triggers the applicability of such provision only where there is a total lack of consideration and does not cover a case of inadequacy in purchase consideration.*
>
> *7. We find merit in such plea advanced on behalf of the assessee. It is not in dispute that purchase transactions of immovable property were carried out in FY 2011-12 for which full consideration was also parted with the seller. Mere registration at later date would not cover a transaction already executed in the earlier years and substantial obligations have already been discharged and a substantive right has accrued to the assessee therefrom. The pre-amended provisions will thus apply and therefore the Revenue is*

debarred to cover the transactions where inadequacy in purchase consideration is alleged. We thus find merit in the issue raised on behalf of the assessee. The order of the CIT(A) is accordingly set aside and the AO is directed to delete the additions made under s. 56(2)(vii)(b) of the Act and restore the position claimed by the assessee.

………

23. It is evident from the above, that identical issue has been considered by the ITAT with respect to provisions of law which are pari materia to Section 43CA of the Act, in the context of Section 50C and also in the context of Section 56(2)(vii)(b) of the Act, and it has been consistently held that where the transaction has been completed in the year when the provisions were not on the statute, merely because of the registration having been effected for the transfer of the property in the subsequent year, when the provision was brought on the statute would not invoke the applicability of the provision. That the provision of law applicable on the date when substantial obligations with respect to the transaction should discharged would apply.

24. In the light of the above, therefore, we have no hesitation in holding that in the facts of the present case when the agreement to sell was entered into in FY 2011-12 and the substantial consideration was received by the assessee in lieu of the agreement to sell in the said year itself the provisions of law as existing in the said year would apply and the provisions of Section 43CA of the Act being not there on the statute in AY 2012-13 pertaining to FY 2011-12, the same could not be invoked. The order of the Ld. CIT(A) therefore, invoking the provisions of Section 43CA of the Act to the facts of the present case is accordingly held to be incorrect in law. The addition made to the

income of the assessee by invoking Section 43CA amounting to Rs.7,54,00,875/- is deleted.

25. The assessee alternatively has raised another contention before us of the valuation of the property being referred to the D.V.O. since the assessee had objected to the valuation adopted by the stamp duty value Authority.

26. Since we have held the invocation of section 43CA of the Act in the facts of the present case to be not permitted by law, we see no reason to adjudicate the alternate plea of the assessee since it has become infructuous.

27. The appeal of the assessee is **allowed in above terms**.

Order pronounced in the Open Court on 05.08.2026

Sd/-	Sd/-
(T.R. Senthil Kumar)	(Annapurna Gupta)
JUDICIAL MEMBER	ACCOUNTANT MEMBER

Dated 05.08.2026
Mittali, Sr. PS
Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

By Order,

Asst. Registrar
ITAT, Jaipur