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INCOME-TAX ACT, 2025

E: Capital gains

Section 78 - Special provision for full value of consideration in certain cases.

(1) If the consideration received or accruing from the transfer of a capital asset, being land or building or both, is less than the stamp duty value, then, for the purposes of section 72, the stamp duty value shall be deemed to be the full value of the consideration received or accruing as a result of such transfer, subject to the following:––

(a) the stamp duty value on the date of agreement may be taken as the full value of consideration, if––

(i) the date of the agreement fixing the consideration and the date of registration for the transfer of the capital asset are not the same; and

(ii) part or full consideration is received on or before the date of the agreement in “specified banking or online mode” as defined in section 66(32);

(b) if the stamp duty value does not exceed 110% of the consideration received or accruing from such transfer, such consideration shall be deemed to be the full value of the consideration for section 72.

(2) Without prejudice to the provisions of sub-section (1), the Assessing Officer may refer the valuation of the capital asset to a Valuation Officer, and the provisions of section 269(3) to (8), shall, with necessary modifications, apply in relation to such reference, where––

(a) the assessee claims that the stamp duty value exceeds the fair market value of the property as on the date of transfer; and

(b) the stamp duty value has not been disputed in any appeal or revision or no reference has been made before any other authority, court or the High Court.

(3) If the value determined by the Valuation Officer on a reference made under sub-section (2) exceeds the stamp duty value, such stamp duty value shall be taken as the full value of consideration.

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