

**+IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCH 'B', HYDERABAD**

**BEFORE SMT. P. MADHAVI DEVI, JUDICIAL MEMBER AND  
SHRI A. MOHAN ALANKAMONY, ACCOUNTANT MEMBER**

ITA No. 338/Hyd/2019  
Assessment Year: 2007-08

Farooqi Family Trust,                      vs.    Income-tax Officer,  
Hyderabad.    Ward – 4(2), Hyderabad.

PAN – AAATF 4607 Q

Appellant

Respondent

Assessee by: Shri K.A. Sai Prasad  
Revenue by: Shri Nilanjan Dey

Date of hearing: 18/12/2019  
Date of pronouncement: 18/12/2019

**ORDER**

**PER P. MADHAVI DEVI, J.M.:**

This is an appeal filed by the assessee against the order of CIT(A) – 8, Hyderabad dated 22/01/2019 for AY 2007-08.

2. Brief facts of the case are that assessee had sold a plot admeasuring 515 Sq. Yds. to Bawarchi Restaurant at RTC X Roads for a sale consideration of Rs. 70,00,000/- during FY 2006-07 as against the market value of the same at Rs. 1,18,80,000/-. Therefore, the assessment was reopened to bring to tax the capital gains arising out of the said transaction. The assessee objected to the proposed capital gain tax by applying provisions of section 50C of the Ac and

also claimed deduction u/s 54 of the Act in respect of the investment made in a residential house. However, AO observed that the assessee trust was for the benefit of the family members in the Trust and as there is no deduction u/s 54 available to the family trust, the entire sale consideration as per the SRO value of Rs. 1,18,80,000/-is to be brought to tax. Accordingly, the assessment was completed u/s 144 rws 147 of the Act.

3. Aggrieved, the assessee preferred an appeal before the CIT(A) by filing written submissions. However, none appeared before the CIT(A) for personal hearing and, therefore, the CIT(A) confirmed the order of AO and the assessee is in second appeal before the Tribunal.

4. The Id. counsel for the assessee submitted that the assessee has strong case on merits and, therefore, the assessee should be given an opportunity of hearing before the CIT(A).

5. The Id. DR, on the other hand, supported the orders of authorities below.

6. Having regard to the rival contentions and particularly to the fact that the CIT(A) has not disposed of the objections of the assessee raised in the detailed written submissions filed before him, we are of the opinion that the assessee should be provided a proper opportunity of presenting its case before the AO. In view of the same, we deem it fit and proper to remand

the issue to the file of the AO with a direction to decide the appeal in accordance with law and after providing reasonable opportunity of hearing to the assessee.

7. In the result, appeal of the assessee is treated as allowed for statistical purposes.

Pronounced in the open court on 18<sup>th</sup> December, 2019.

Sd/-  
(A. MOHAN ALANKAMONY)  
ACCOUNTANT MEMBER

Sd/-  
(P. MADHAVI DEVI)  
JUDICIAL MEMBER

Hyderabad, dated 18<sup>th</sup> December, 2019.

*kv*

Copy forwarded to:

1. *M/s Farooqi Family Trust, 1-8-565, RTC X Roads, Musheerabad, Hyderabad – 20.*
2. *ITO, Ward – 4(2), Hyderabad.*
3. *CIT(A) - 8, Hyderabad.*
4. *Pr. CIT – 1, Hyderabad.*
5. *The DR, ITAT, Hyderabad*
6. *Guard File*