

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'D', NEW DELHI**

**Before Dr. B. R. R. Kumar, Accountant Member,**

**Sh. Anubhav Sharma, Judicial Member**

**ITA No. 2111/Del/2022 : Asstt. Year: 2018-19**

Shahana Raza, 427-428, DLF Towers, 15 Shivaji Marg, Najafgarh Road, New Delhi-110015 (APPELLANT)	Vs	DCIT, Circle-3(1)(1), International Taxation, New Delhi-110002 (RESPONDENT)
<b>PAN No. ANFPR3061G</b>		

**Assessee by : Sh. Baldevraj, CA**

**Sh. Manish Upneja, CA**

**Revenue by : Sh. Vizay B. Vasanta, CIT-DR**

**Date of Hearing: 04.04.2024**

**Date of Pronouncement: 26.06.2024**

**ORDER**

**Per Dr. B. R. R. Kumar, Accountant Member:**

The present appeal has been filed by the assessee against the order dated 18.07.2022 passed by the AO u/s 143(3) r.w.s. 144C(13) of the Income Tax Act, 1961.

2. Following grounds have been raised by the assessee:

*"1. That on the facts of the case and in law, the order dated 18/07/2022 passed by the Income tax department, Circle Int Tax 3(1)(1), Delhi [hereinafter for the sake of brevity referred to as "the Ld. A.O."] under section 143(3) of the Income-tax Act, 1961 (hereinafter for the sake of brevity referred to as "the Act") in pursuance of the directions of the Dispute Resolution Panel under section 144C (5) dated 15/06/2022 (hereinafter for the sake of brevity referred to as "DRP") is void ab initio and liable to be quashed.*

*2. That on the facts of the case and in law, the Ld. AO has grossly erred in disallowing amount to the tune of Rs. 15,96,450/- claimed as deduction in computing capital gain under section 48 read with section 54 of the Act.*

*3. That on the facts of the case and in law, the Ld. AO has grossly erred in holding that the followings amount incurred/paid in respect of purchase of new residential house is not eligible and includable in "cost of purchase of new residential house purchased" for the purpose claiming deduction/ exemption u/s 54 of the Act.*

- a) Stamp duty: Rs. 15,55,175/-*
- b) Advocate fee: Rs. 20,000/-*
- c) Transfer charges: Rs. 5,000/-*
- d) Electricity transfer fees: Rs. 14,110/-*
- e) Others: Rs. 2,165/-*

*4. That on the facts of the case and in law, the Ld. AO has grossly erred in A denying the deduction/exemption of Rs. 15,96,450/- u/s 54 of the Act.*

*5. That on the facts of the case and in law, the Ld. DRP has travelled beyond A its power in holding that the Appellant is not entitled to file a revised/alternate claim u/s 54 of the Income Tax Act, 1961 as the same can only be filed through a revised return of income."*

3. The assessee sold a house and invested the capital gains to purchase another house to claim exemption u/s 54F of the Income Tax Act, 1961. The cost of a new house was Rs.194,31,000/- and the assessee has also paid Rs.15,55,730/- as stamp duty, Rs.5,000/- as transfer fee, Rs.14,110/- as electricity transfer fee and Rs.20,000/- as advocate fee. The Assessing Officer as well as the Id. DRP disallowed the expenses as the assessee has failed to file revised return claiming these expenses.

4. After going through the record, we hold that the stamp duty, transfer fee and advocate fee are intricately linked to the purchase of the new house and are allowable expenses incurred in acquisition of the new property. Hence, we direct the

Assessing Officer to allow these expenses and re-compute the correct capital gains for taxation/exemption purpose.

5. In the result, the appeal of the assessee is allowed for statistical purpose.

Order Pronounced in the Open Court on 26/06/2024.

**Sd/-**

**(Anubhav Sharma)  
Judicial Member**

**Sd/-**

**(Dr. B. R. R. Kumar)  
Accountant Member**

**Dated: 26/06/2024**

\*Subodh Kumar, Sr. PS\*

Copy forwarded to:

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

**ASSISTANT REGISTRAR**