

आयकर अपीलीय अधिकरण, हैदराबाद पीठ में
**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES "B" , HYDERABAD**

**BEFORE SHRI LALIET KUMAR, JUDICIAL MEMBER
AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER**

ITA No.126/Hyd/2024		
Assessment Year: 2013-14		
Shri Chitti Venkateswari Karumanchi, Hyderabad PAN: AISPK4780D	Vs.	Income Tax Officer Ward 6(1) Hyderabad
(Appellant)		(Respondent)
Assessee by:	Advocate S. Rama Rao	
Revenue by:	Shri Madan Mohan Meena, DR	
Date of hearing:	08.10.2024	
Date of pronouncement:	22.10.2024	

ORDER

PER MADHUSUDAN SAWDIA, A.M.:

This appeal is filed by Shri Chitti Venkateswari Karumanchi, Hyderabad ("the assessee"), feeling aggrieved by the order passed by the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), dated 17.01.2024 for the A.Y. 20213-14.

2. As culled out from the records, the brief facts of the case are that the assessee had earned Long-Term Capital Gain of Rs.13,73,416/- on transfer of three flats. The assessee had claimed deduction u/s 54 of the I.T. Act, 1961 (" the Act") against

such Long-Term Capital Gain of Rs.13,73,416/- towards investment in new apartment constructed at Visakhapatnam (“new assets”). The learned Assessing Officer (“Ld. AO”) found that these three flats were sold in April, 2012, May, 2012 and June, 2012 respectively. However, the new assets was completed before the date of sale of the three Flats. Therefore, the Ld. AO disallowed the deduction on account of the Long-Term Capital Gain of Rs.13,73,416/- claimed by the assessee u/s 54 of the Act.

3. Aggrieved with the order of the Ld. AO, the assessee filed appeal before the Ld. CIT (A). The Ld. CIT (A) dismissed the claim of the assessee on the ground that the construction of new assets was completed before the sale of the flats.

4. Aggrieved with the order of the Ld. CIT (A), the assessee is in appeal before us.

5. The Ld. AR submitted that the construction of new assets were completed in July’2012. Therefore, the construction of new assets were completed after the sale of old assets and not prior to their sale. In support of his claim, he filed the details of expenditure incurred on the construction of the new assets(page no. 3 to 20 of the PB). The Ld. AR also submitted that the assessee has incurred Rs. 51,94,456/- (page no. 35 of PB) after the sale of the flats on the construction of new assets. Therefore, he prayed

before the Bench that the amount incurred on the new assets after the sale of the flats be allowed u/s 54 of the Act against the Long-Term Capital Gain of Rs.13,73,416/-.

6. Per contra, Ld. DR placed heavy reliance on the orders of the Revenue authorities and requested to uphold the orders of the Revenue authorities.

7. We have heard the rival contentions and also gone through the record in the light of the submissions made on either side. From the submission of the learned AR and the details of expenditure filed by him, it can be concluded that the new assets is completed July'2012 i.e. after the sale of the flats. However, the assessee has not filed any documentary evidences in support of the expenditure incurred on the construction of new assets. The documentary evidence in support of the expenditure incurred on the construction of the new assets after the sale of the flats require verification on the part of the Ld. AO. Therefore, we remand the matter to the file of the Ld. AO with a direction to verify the expenditure incurred after the sale of the flats towards the construction of new assets and allow deduction u/s 54 of the Act to the assessee as per law. The assessee is also hereby directed to file the evidences in support of the expenditure incurred on the construction of the new assets after the sale of the flats without seeking any adjournment. Grounds of the assessee are decided accordingly.

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

Order pronounced in the Open Court on 22nd October, 2024.

Sd/

Sd/-

(LALIET KUMAR)
JUDICIAL MEMBER

(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER

Hyderabad,

Dated 22nd October, 2024.

pvv/SPS.

Copy to:

S.No	Addresses
1	Shri Chitti Venkateswari Karumanchi, Indu Fortune Fields Villa 94, Phase 13, Tirumalagiri Hyderabad 500072
2	Income Tax Officer Ward 6(1) IT Towers Hyderabad
3	PrI.CIT, Hyderabad.
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order