

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH, COCHIN**

**Before Shri George George K, Vice-President
&
Shri Inturi Rama Rao, Accountant Member**

ITA No.276/Coch/2024 : Asst.Year 2016-2017

Vimala Hariharan Srikrishna, Sreekala Road Cochin – 682 028. PAN : AAEPH0240F.	v.	The Income Tax Officer Non Corp. Ward 1(1) Cochin.
(Appellant)		(Respondent)

Appellant by : Sri.Radhesh Bhatt, CA
Respondent by : Smt.Leena Lal, Senior AR

Date of Hearing : 08.04.2025	Date of Pronouncement : 13.05.2025
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ORDER

Per Inturi Rama Rao, AM :

This appeal filed by the assessee-trust is directed against the order of the National Faceless Assessment Centre / Commissioner of Income-tax (Appeals) [“the CIT(A)”] dated 08.02.2024 passed u/s.147 of the Income-tax Act, 1961 (“the Act”) for the assessment year 2016-2017.

2. Briefly, the facts of the case are that the appellant is an individual. The return of income for the assessment year 2016-2017 was filed on 27th July, 2016 disclosing income of Rs.25,94,020. Against the said return of income, the assessment was completed by the Assistant Commissioner of Income-tax, Non-Corporate Ward 1(1), Kochi (“the AO”) vide order dated 13th December, 2018 passed u/s.143(3) of the Income-tax Act, 1961 (“the Act”) at a total income of Rs.1,37,20,831. While doing so, the AO made addition under the head long term capital

gains on the sale of immovable property situated at Survey No.429, M.G.Road, Kochi, in which the appellant was holding share of 16.07%. Subsequently, the AO issued a notice u/s.148A of the Act. The order u/s.148A was passed on 23rd July, 2022, based on the information that excess deduction was allowed u/s.54F of the Act. In response to the notice issued u/s.148, the appellant neither filed the return of income nor complied with the notice issued u/s.148 of the Act. In these circumstances, the AO had proceeded with framing the assessment order by restricting the deduction u/s.54F of the Act to the extent of Rs.2,32,81,151, as against originally allowed of Rs.4,60,21,339, by holding that the appellant had purchased two adjacent flats, whereas deduction u/s.54F of the Act is allowable in respect of only one residential property.

3. Being aggrieved, an appeal was filed before the CIT(A) challenging the very validity of initiation of reassessment proceedings and also challenging the restriction of relief u/s.54F of the Act. The CIT(A) after due consideration of the written submissions, dismissed the appeal by upholding the validity of reassessment proceedings and also affirming the restriction of relief u/s.54F of the Act made by the AO.

4. Being aggrieved, the appellant is in appeal before this Tribunal in the present appeal. Grounds of appeal Nos.1 and 4 are general in nature, which do not require any specific adjudication. Ground No.2 challenges the validity of the reassessment proceedings u/s.148 of the Act. From the perusal of the assessment order, it is clear that the reassessment proceedings were initiated under the new regime applicable from the

period 01.04.2021. The order u/s.148A(d) passed on 23rd July, 2022 had attained finality and consequently the notice issued u/s.148 of the Act cannot be challenged. This ground of appeal by the assessee is dismissed.

5. Ground No.3 challenges the restriction of deduction u/s.54F of the Act. Undisputedly, the appellant bought two residential units during the assessment year 2016-2017, the deduction u/s.54F is available in respect of only one residential unit. The fact that two residential units were adjacent to each other does not alter the situation. Therefore, we do not find any merit in this grounds of appeal raised by the appellant.

6. In the result, the appeal filed by the assessee stands dismissed.

Order pronounced on this 13th day of May, 2025.

Sd/-
(George George K)
VICE-PRESIDENT

Sd/-
(Inturi Rama Rao)
ACCOUNTANT MEMBER

Cochin; Dated : 13th May, 2025.
Devadas G*

Copy to :

1. The Appellant.
2. The Respondent.
3. The CIT, Cochin.
4. The DR, ITAT, Cochin.
5. Guard File.

Asst.Registrar/ITAT, Cochin