

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI “B” BENCH: NEW DELHI**

**BEFORE SHRI YOGESH KUMAR U.S, JUDICIAL MEMBER &
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.2857/Del/2025
[Assessment Year : 2022-23]**

Ramvir Yadav B-16, Suncity Sector-54, Gurgaon-122101. PAN-AHFPR0963H	vs	ITO Ward-3(1) Gurgaon
APPELLANT		RESPONDENT
Assessee by	Shri K.Sampath, Adv. & Shri V.Rajkumar, Adv.	
Revenue by	Shri Rajesh Kumar Dhanesta, Sr.DR	
Date of Hearing	19.11.2025	
Date of Pronouncement	16.01.2026	

ORDER

PER MANISH AGARWAL, AM :

The present appeal is filed by the assessee against the order dated 07.04.2025 by Ld. Commissioner of Income Tax (A), National Faceless Appeal Centre (“NFAC”), Delhi [“Ld. CIT(A)”] in Appeal No. NFAC/2021-22/10328465 passed u/s 250 of the Income Tax Act, 1961 [“the Act”] arising from the assessment order dated 20.03.2024 passed u/s 143(3) r.w.s. 144B of the Act pertaining to Assessment Year 2022-23.

2. Brief facts of the case are that the assessee is an individual and filed his return of income on 07.07.2022, declaring total income at INR 27,53,370/-. The case of the assessee was selected for scrutiny under CASS for the reasons that the assessee has claimed benefit of deduction u/s 54B of the Act. During the year under appeal, the

assessee has sold agricultural land for INR 9,23,31,249/- which was purchased in financial year 2010-11 for INR 97,02,150/-. After claiming indexed cost of acquisition, the capital gains were declared of INR 7,39,14,593/- and against the said capital gain, the assessee has claimed deduction u/s 54B of the Act being invested in purchase of another agricultural land for INR 8 crores. The AO held that the agricultural land sold by the assessee, was not agricultural land as the assessee has failed to file any supporting documents to substantiate the claim of agricultural activity carried out for a period of two years immediately preceding the assessment year in which the land is sold. Accordingly, the AO has disallowed the deduction u/s 54B of the Act, computed the capital gains of INR 6,53,86,582/- as Long Term Capital gain ("LTCG") in the hands of the assessee.

3. Against the said order, assessee filed an appeal before Ld. CIT(A) who vide impugned order dated 07.04.2025, dismissed the appeal of the assessee and confirmed the action of the AO.

4. Aggrieved by the order of Ld. CIT(A), assessee is in appeal before the Tribunal by taking following grounds of appeal:-

"On the facts and in the circumstances of the case and in law the Ld. CIT(A) at NFAC, Delhi erred in confirming following action of the Assessment unit-

A. determining taxable income at Rs.6,81,39,950/- against the correct returned income Rs.27,53,370/-:

B. making the following additions to the returned income

- i. Rs. 7,39,28,830/- by not allowing deduction claimed u/s 548 of the Act for the purchase of agriculture lands;*

ii. *reducing the loss suffered under long term capital gain to Rs. 10,807/-:*

C. *initiating proceedings u/s 270A of the Act*

D. *charging interest u/s 234B and D of the Act.*

The above actions being arbitrary, fallacious, unwarranted and illegal must be quashed with directions for appropriate relief.”

5. Heard the contentions of both parties and perused the material available on record. Regarding LTCG from the sale of plot and further claim of deduction claimed u/s 54B of the Act against the sale of agricultural land, Ld.AR submits that AO has failed to appreciate that the plot of land was purchased by the assessee for a sum of INR 3,70,25,000/- jointly with his father where the assessee's share was 50% and accordingly, the LTCG was declared. Further, the assessee has sold agricultural land for INR 9,23,31,249/- and purchased another agricultural land. The claim of the assessee for deduction u/s 54B was denied for the reason that no evidence was field by the assessee regarding use of the land for agricultural purposes for immediately two preceding years from the assessment year in which the sale was made. Before us, Ld.AR submits that assessee is having evidences which could not be filed before the lower authorities earlier such as Girdwari etc. to prove that he was carrying out agricultural activities over the said land in two assessment year immediately preceding the assessment year of sale of land. Accordingly, we set aside the orders of the lower authorities and remanded back the entire case to the file of AO for making verification of the fact whether the assessee was having any agricultural activities on the land sold in the two immediately preceding assessment years and decide the issue in accordance with law. With these directions, all grounds of

appeal raised by the assessee are partly allowed for statistical purposes.

6. In the result, the appeal of the assessee is partly allowed for statistical purposes.

Order pronounced in the open Court on 16.01.2026.

Sd/-

**(YOGESH KUMAR U.S)
JUDICIAL MEMBER**

Sd/-

**(MANISH AGARWAL)
ACCOUNTANT MEMBER**

Date:- 16.01.2026

Amit Kumar, Sr.P.S

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI