

**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES "A" : HYDERABAD
(THROUGH VIDEO CONFERENCE)**

**BEFORE SHRI S.S.GODARA, JUDICIAL MEMBER
AND
SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

I.T.A. No. 1508/HYD/2019

Assessment Year: 2011-12

Chandra Prakash Reddy Velma HYDERABAD [PAN: AASPV7653E]	Vs	Income Tax Officer, Ward-14(2), HYDERABAD
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(Appellant)

(Respondent)

For Assessee : Shri K.A.Sai Prasad, AR
For Revenue : Shri Sunil Kumar Pandey, DR

Date of Hearing : 22-03-2021
Date of Pronouncement : 03-05-2021

ORDER

PER S.S.GODARA, J.M. :

This assessee's appeal for AY.2011-12 arises from the CIT(A)-6, Hyderabad's order dated 07-06-2019 passed in appeal No.10620/2018-19/A3/CIT(A)-6, in proceedings u/s.143(3) r.w.s.147 of the Income Tax Act, 1961 [in short, 'the Act'].

Heard both the parties. Case file perused.

2. The assessee has canvassed the following substantive grounds in the instant appeal:

“1.The order of the learned First Appellate Authority is not correct in law or on facts and in both.

2.The learned First Appellate Authority is not justified in confirming the disallowance of exemption of Rs.1,02,64,008/- claimed u/s.54 of the Income Tax Act.

3.The learned First Appellate Authority failed to appreciate the facts that all ingredients/conditions laid down for claiming exemption u/s.54 of the Income Tax Act were fulfilled before the Assessing Officer and hence the denial of exemption u/s.54 is not justified.

4. The learned First Appellate Authority failed to appreciate the legal disputes and other circumstances under which the constructions could not be completed.

5.The appellant craves leave to add, amend or alter any of the grounds at the time of hearing of appeal”.

3. The assessee’s grievance in a nutshell is that both the learned lower authorities have erred in law and on facts in disallowing his Section 54 deduction claim of having re-invested the capital gains in issue in house property. We notice in this factual backdrop that the CIT(A)’s lower appellate order has been passed *ex-parte*.

4. Learned departmental representative vehemently contended that neither the assessee himself nor any authorised representative had put in appearance before the CIT(A). And this forms the precise reasons for him to affirm.

5. Faced with this technical issue and more so when the assessee’s representative had appeared; although without power of attorney from the lower appellate discussion in para 4.3 pg.4, we deem it appropriate that larger interest of justice would be met in case the assessee’s impugned Section 54 deduction issue is restored back to the CIT(A) for his afresh

appropriate adjudication. We order accordingly. It is made clear that the assessee or his authorised representative shall appear before the CIT(A) on or before 30-09-2021 with all the detailed evidence(s) indicating the compelling circumstances of non-completion of the residential house as per law; at his own risk and responsibility, within three effective opportunities of hearing.

6. This assessee's appeal is treated as allowed for statistical purposes.

Order pronounced in the open court on 3rd May, 2021

Sd/-
(LAXMI PRASAD SAHU)
ACCOUNTANT MEMBER

Hyderabad,
Dated: 03-05-2021

TNMM

Sd/-
(S.S.GODARA)
JUDICIAL MEMBER

Copy to :

1.Chandra Prakash Reddy Velma, C/o.Katrapati & Associates, 1-1-298/2/B/3, 1stFloor, Ashok Nagar, Hyderabad.

2.The Income Tax Officer, Ward-14(2), Hyderabad.

3.CIT(Appeals)-6, Hyderabad.

4.Pr.CIT-6, Hyderabad.

5.D.R. ITAT, Hyderabad.

6.Guard File.