

INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "E": NEW DELHI

**BEFORE SHRI H. S. SIDHU, JUDICIAL MEMBER
A N D
SHRI PRASHANT MAHARISHI, ACCOUNTANT MEMBER
(Through Video Conferencing)**

ITA. No. 4934/Del/2017
(Assessment Year: 2013-14)

Om Prakash & Sons [HUF] C – 70, Bathla Apartments, Patpar Ganj, New Delhi. PAN: AAAHO7498G	Vs.	ACIT, Circle 56 (1) New Delhi
(Appellant)		(Respondent)

Assessee by :	N o n e;
Revenue by:	Ms. Aman Preet, Sr. D.R.;
Date of Hearing	21/12/2020
Date of pronouncement	21/12/2020

ORDER

PER PRASHANT MAHARISHI, A. M.

1. This appeal is filed by the assessee against the order of the CIT (Appeals)-19, New Delhi, dated 24.05.2017 for Assessment Year 2013-14 wherein the dispute is with respect to the disallowance of deduction under Section 54EC of the Income Tax Act, 1961 (the Act).
2. The brief facts of the case show that assessee is an HUF. It filed its return of income on 27.07.2013 declaring income of Rs.1,50,59,000/-. Out of that sum assessee has earned the Long term capital gain of Rs.1,47,17,750/-.
3. The assessee has sold property at 483, Village Mauza, Jhilmil Tahirpur, Shahdara, Delhi, for Rs.5.25 crores and Long term capital gain was shown at Rs.4,60,38,523/-. The assessee claimed the deduction under Section 54F of the Act of Rs.2,15,20,774/-. Further assessee purchased REC Bonds of Rs.50,00,000/- in FY 2012-13 and further Rs.50,00,000/- in FY 2013-14 and correspondingly claimed total deduction under Section 54EC of the Act of Rs.1 crore. The ld. Assessing Officer held that the exemption

under Section 54EC of the Act is to be restricted to only Rs.50,00,000/- and not Rs. 1crore. The ld. Assessing Officer held that Finance Act, 2014 has amended Section 54EC wherein it is stated that deduction under Section 54EC cannot exceed Rs. 50,00,000/-. He also relied on the Explanatory note to the provisions of Section 54EC. Thus, the dispute in this appeal is that whether the assessee will get the benefit of deduction under Section 54EC of Rs.1 crore or only Rs.50,00,000/-. On appeal before the ld. CIT (Appeals) the action of the ld. Assessing Officer is sustained. Therefore, assessee is in appeal before us.

4. Despite notice none appeared on behalf of the assessee. The ld. DR was heard.
5. We have carefully considered the rival contentions and perused the order of the lower authorities. In this case the property is sold on 03rd December, 2012. The assessee invested on 27.12.2012 Rs.20,00,000/- in National Highway Authority Bonds, on 31.03.2013 in Rural Electrical Corporation Bonds of Rs.30,00,000/- and on 29th May, 2013 in NHAI Bonds of Rs.50,00,000/-. The investment made by the assessee of the Long term capital gain is admittedly in two different Financial Years, but within 6 months from the date of the transfer of capital asset. In such a situation the Hon'ble Madras High Court in CIT Vs. Coromandel Industries Ltd. (2015) 370 ITR 586 (Mad.) clearly covers the issue in favour of the assessee. In view of this we direct the ld. Assessing Officer to delete the disallowance of Rs.50,00,000/- under Section 54EC of the Act and grant the total deduction in that Section of Rs.1 crore. Accordingly, ground No. 2 of the appeal of the assessee is allowed.
6. In the result, appeal of the assessee is allowed.

Order pronounced in the open court on : 21/12/2020.

Sd/-
(H. S. SIDHU)
JUDICIAL MEMBER

Sd/-
(PRASHANT MAHARISHI)
ACCOUNTANT MEMBER

Dated : 21 /12/2020

MEHTA

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

ASSISTANT REGISTRAR
ITAT, New Delhi

Date of dictation	21.12.2020
Date on which the typed draft is placed before the dictating member	21.12.2020
Date on which the typed draft is placed before the other member	21.12.2020
Date on which the approved draft comes to the Sr. PS/ PS	21.12.2020
Date on which the fair order is placed before the dictating member for pronouncement	21.12.2020
Date on which the fair order comes back to the Sr. PS/ PS	21.12.2020
Date on which the final order is uploaded on the website of ITAT	21.12.2020
date on which the file goes to the Bench Clerk	21.12.2020
Date on which the file goes to the Head Clerk	
The date on which the file goes to the Assistant Registrar for signature on the order	
Date of dispatch of the order	