Principal Commissioner of Income Tax, Central-1 v. Lata Goel

ITA 127/2025

2025:DHC:3098-DB; ITA 127/2025 | 2025-04-30

Section 54F: co-owned floors of one house and reopening beyond four years

Income-tax Act, 1961: 54F, 147, 148, 260A

High Court of Delhi | 2-judge bench (Division Bench) | Vibhu Bakhru | Tejas Karia

Assessment years: 2011-12

Scope of appeal

The separate funding/tracing dispute in ITA 5892/Del/2015 was not the subject of this High Court appeal.

01 FACTS OF THE CASE

For AY 2011-12, Lata Goel claimed Rs.90 crore under section 54F on investment of FIITJEE share-sale gains in E-27, Vasant Vihar. A 30 March 2017 reopening treated her co-owned basement and second floor at D-6/5 as two houses and denied the deduction. The present appeal concerns reassessment of 29 December 2017 and Tribunal appeal 3426/Del/2019; the separate Rs.60 crore funding/tracing dispute in appeal 5892/Del/2015 is expressly outside its scope.

Source: Paras 1–17, PDF pp.1–5

02 DISCUSSION BY THE HON'BLE COURT

The Court treated the co-owned floors of this singular family house as one residential house. It applied the residential-house authorities, including Gita Duggal and Kamla Ajmera, to the existing-property restriction in the section 54F proviso. It also found no failure to disclose material facts: the municipal ownership configuration did not establish an omission capable of supporting the reopening beyond four years.

Source: Paras 18–28, PDF pp.6–10

03 JUDICIAL DECISION

No substantial question of law arose. Revenue's appeal and the pending application were dismissed, leaving the Tribunal's relief on the reassessment undisturbed.

Source: Paras 26–29, PDF pp.9–10

04 OUTCOME / IN WHOSE FAVOUR

Final assessee-favourable decision on the one-house objection and disclosure basis for reopening in AY 2011-12. It is not a separate High Court ruling on tracing the borrowed Rs.60 crore into the new asset.

Source: Paras 11,16,26–29, PDF pp.3,5,9–10

05 EXPERT COMMENTS

Identify the appellate branch before citing the result — The Tribunal issued a common order, but this High Court appeal arose only from the 2017 reassessment. The 2015 appellate finding that sale proceeds need not be traced in specie is background from the other branch. Treating that background as the proposition decided here would enlarge the appeal beyond its express limits.

One house is a factual conclusion, not a rule for every holding — The Court examined the deeds and the family's ownership of floors in one building. It extended authorities about the new asset to the proviso restricting ownership of other houses. The distinction from units at different locations and the discussion of a singular unit in Kamla Ajmera matter; neither co-ownership alone nor several unrelated properties automatically satisfies this reasoning.

Keep the disclosure finding separate from the merits — The assessee had disclosed the original asset's sale and the purchased house. Municipal records describing the existing property did not establish failure to disclose material facts. For this source-era reopening beyond four years, that finding reinforced the deduction conclusion; it should not be recast as a ruling on later reassessment provisions or all undisclosed property interests.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

High Court of Delhi official judgment PDF (hc_delhi_ita127_2025.pdf)

Complete ten-page Delhi High Court judgment, downloaded from official court site and hash verified.

All 10 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

The dispute concerns section 54F and the source-era sections 147 and 148 for AY 2011-12. FY 2013-14 appears only in another family member's property chronology. No 2025 Act equivalence is asserted.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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