TAX JUDGMENTS / DETAILED REVIEW

Sudhakar Reddy Mettu

COURT / TRIBUNAL	Telangana High Court
CASE NUMBER	Income Tax Tribunal Appeal No. 78/2025
DECISION / ASSESSMENT YEAR	2026-07-08 / 2017-18

SUBSEQUENT CASE STATUS

Appeal, review, recall and stay status has not been independently confirmed.

01 Facts and procedural setting

Eleven-page judgment by P. Sam Koshy/Narsing Rao Nandikonda JJ, AY 2017-18. This is an appeal from ITAT ITA 231/Hyd/2024 dated 29 May 2024; that underlying ITAT number is not the High Court's own docket. An NRI co-owner entered a 31 May 2016 development arrangement, promised a villa within 36 months. Developer delay prevented timely completion/title.

02 Issues and submissions

Whether section 54F exemption could be denied for delayed legal title beyond the statutory period for reasons outside the taxpayer's control. Revenue relied on the seven-year delay, absence of registration and the fact that the asserted developer dispute arose after the original completion date.

03 Decision and ratio

Paragraphs 13-17 accept investment toward the residential property and construe section 54F beneficially. Mere incomplete construction/non-registration due to developer delay did not defeat relief on the findings made. Adverse order set aside, substantial question answered for assessee, appeal allowed.

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EXPERT APPLICATION / SOURCE CAUTIONS / LATER TREATMENT

04 Expert application

Prove the actual investment, contractual entitlement and cause of delay; distinguish these findings from mere intention to reinvest. Independently examine all other section 54F conditions and proportionate net-consideration computation. The judgment is not a finding that every JDA defers capital gains or every developer delay excuses all statutory requirements.

05 Qualifications and subsequent decisions

The substantive issue and reasoning concern section 54F, although the concluding passages also refer to section 54. Relief depends on the investment and developer-delay findings in this case.

Original judgment

Read the original judgment / order

Read this case review with the original judgment. Application depends on the facts, statutory provisions, assessment year and jurisdiction.

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