



Hon'ble ITAT Bench Delhi held that even if the property is transferred through the Power of Attorney still the Assessee is entitled to the tax exemption benefit on long-term capital gain under section 54F of the Income Tax Act.

ACIT Versus Sanjay Choudhary [TS-35-ITAT-2023(DEL)]

New Delhi, January 25, 2023

In the present case, the assessee purchased the property through power of attorney and claim the exemption in its return under section 54F of the Act, the said exemption was disallowed by the assessing officer citing the reason that the property was transferred through the Power of Attorney.

The Hon'ble ITAT in the present matter held that: -

- Non-execution of a registered document for transfer of title may have civil consequences with regard to the title of the property between the seller and purchaser, but for the purpose of benefits under Section 54F, the assessee shall be deemed to have 'purchased' the properties.
- Hence the assessee is entitled to claim the benefit under section 54F of the Act even if the property is purchased through the Power of Attorney

**Section 54F of the Income Tax Act provides for the tax exemption on long-term capital gains which are earned from selling any capital asset except house property.*

