

In case assessee purchases multiple residential units in same building Sec. 54 exemption is available

Summary – The Ahmedabad ITAT in a recent case of Smt. Minal Nayan Shah, (the Assessee) held that in case assessee purchases multiple residential units in same building Sec. 54 exemption is available

Facts

- The assessee sold an immovable property and invested sale consideration for purchase of 3 residential units located at different floors of same building. Accordingly, the assessee had claimed exemption under section 54F. Same was allowed.
- The Principal Commissioner disallowed the same.
- On the assessee's appeal to the Tribunal:

Held

- The ITAT stated that the expression 'a residential house' would encompass different residential units located on the different floors of the same building. Since in the present case the assessee purchased three units located on different floors of the same building, the assessee was eligible for the deduction u/s 54F and no interference was called for by the Principal Commissioner u/s 263.