

**आयकर अपीलीय अधिकरण, विशाखापटणम पीठ, विशाखापटणम**

**IN THE INCOME TAX APPELLATE TRIBUNAL  
VISA KHAPATNAM BENCH, VISA KHAPATNAM**

**श्री दुव्वूरु आरएल रेड्डी, न्यायिक सदस्य एवं श्री एस बालाकृष्णन, लेखासदस्य के समक्ष**  
BEFORE SHRI DUVVURU RL REDDY, HON'BLE JUDICIAL MEMBER

&

SHRI S BALAKRISHNAN, HON'BLE ACCOUNTANT MEMBER

**आयकर अपील सं./I.T.A. No. 350/VIZ/2024**  
**(निर्धारण वर्ष/ Assessment Year: 2018-19)**

Yellavarthy Padma Priya D.No. 48-6-6/5, Flat No. 401 Sri Sai Plaza, Basavapurnaiah Street Gunadala Vijayawada – 520005 Andhra Pradesh  [PAN: ADAPY6673L]	v.	Income Tax Officer – Ward – 2(3) Income Tax Office C.R. Building, M.G. Road Vijayawada
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)

करदाता का प्रतिनिधित्व / Assessee Represented by	:	Shri GVN Hari, AR
राजस्व का प्रतिनिधित्व / Department Represented by	:	Dr. Aparna Villuri, Sr. AR
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	10.10.2024
घोषणा की तारीख/Date of Pronouncement	:	15.10.2024

**आदेश /ORDER**

**PER SHRI S BALAKRISHNAN, ACCOUNTANT MEMBER:**

1. This appeal is filed by the assessee against the order of Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [hereinafter in short “Ld.CIT(A)”] vide DIN & Order No.

ITBA/NFAC/S/250/2024-25/1066469194(1) dated 08.07.2024 arising out of order passed under section 147 of the Income Tax Act, 1961 (in short 'Act') dated 30.01.2024.

2. Brief facts of the case are that, as per the information from Insight Portal that was gathered that the assessee has sold immovable property amounting to Rs.2,84,88,000/- but has not filed return of income for the A.Y. 2018-19. The Assessing Officer, therefore, considered that the assessee has not offered capital gain arising out of the sale of the property and hence reopened the case under section 147 of the Act treating the amount as escapement of income to the tune of Rs.2,84,88,000/-. Subsequently, notice under section 148 of the Act dated 19.04.2022 was issued to the assessee. In response, assessee filed return of income declaring a total income of Rs. 1,34,637/- on 18.05.2022. Thereafter, notice under section 143(2) of the Act dated 19.06.2023 and notice under section 142(1) of the Act dated 05.07.2023 & 26.07.2023 and a letter dated 05.10.2023 was also issued of the assessee. Further, show cause notice dated 09.11.2023 was issued to the assessee. In response, assessee filed reply dated 23.11.2023 asking for adjournment which was considered and granted till 05.12.2023. Further, another show cause notice dated 18.12.2023 was issued to the assessee requesting to file her objections on or before 02.01.2024. In response, assessee filed a letter dated 01.01.2024 and furnished the copy of the purchase deed, sale deed, photos of impugned property etc. In response to letter dated 29.09.2023 issued to JAO

calling for details furnished by the assessee during the proceedings under section 148A(d) of the Act received reply vide letter dated 10.10.2023 and furnished the reply furnished by the assessee in response to the show cause notice under section 148A(b) of the Act dated 31.03.2022. It was noticed that the assessee has sold the impugned property for a consideration of Rs.1,42,44,000/- on 12.09.2017 which was misreported as Rs.2,84,88,000/- in the notice. Assessee has offered long term capital gain of Rs. 1,34,637/- after claiming indexed cost of acquisition of Rs.2,17,471/- and indexed cost of improvement for Rs.1,36,91,892/- and assessee also accounted for the expenditure incurred in connection with the transfer of the property for Rs.2,00,000/-. The Assessee has not filed any documentary evidences in support of cost of acquisition, cost of improvement and transfer expenditure as claimed in the return of income. The Assessing Officer considering the reply of the assessee, accepted the indexed cost of acquisition of land of Rs.2,17,471/-. Further, since no evidences was provided by the assessee with respect to indexed cost of improvement of Rs. 1,36,91,892/- and no supporting evidences produced for the expenditure incurred for transfer of property for Rs. 2,00,000/-, therefore made an addition of Rs. 1,38,91,892/- as long-term capital gain in the hands of the assessee.

**3.** Aggrieved by the order of the Assessing Officer, assessee filed an appeal before the Ld. CIT(A). Before Ld. CIT(A), the assessee has not complied with the notices issued by Ld. CIT(A) for the various opportunities provided by the

Ld. CIT(A) as detailed in his order dated 08.07.2024. Considering the non-compliances by the assessee, Ld. CIT(A) dismissed the appeal of the assessee by upholding the addition made by the Assessing Officer.

4. Being aggrieved by the order of the Ld. CIT(A), assessee is in appeal before us by raising the following grounds of appeal: -

*“1. The order of the learned Commissioner of Income Tax (Appeals) is contrary to the facts and also the law applicable to the facts of the case.*

*2. The learned Commissioner of Income Tax (Appeals) is not justified in deciding the appeal ex-parte.*

*3. The learned Commissioner of Income Tax (Appeals) ought to have deleted the addition of Rs.1,38,91,892 made by the assessing officer towards long term capital gains by disallowing the following amounts claimed by the appellant as deduction while computing the capital gains:*

*i. Expenses for transfer: Rs.2,00,000*

*ii. Cost of improvement (indexed value): Rs.1,36,91,892*

*4. Any other ground that may be urged at the time of appeal hearing.”*

5. Ground Nos. 1 and 4 are general in nature and needs no adjudication.

6. With respect to Ground No. 2, Ld. Authorised Representative [hereinafter “Ld.AR”] argued that appeal has been decided by the Ld. CIT(A) exparte and pleaded that one more final opportunity may be provided to the assessee in the interest of justice.

7. Per contra, Ld. Departmental Representative [hereinafter in short “Ld.DR”] fully supported the order of the Revenue Authorities.

8. We have heard both the sides and perused the material available on record. It is an admitted fact that assessee has not appeared before the Ld. CIT(A) to substantiate the claim made in the return of income. Considering the plea of the Ld.AR we find it deemed fit to provide one more final opportunity to the assessee by following the principles of natural justice. We therefore remit the matter back to the file of Ld. CIT(A) and direct the Ld. CIT(A) to decide the case afresh on merits by providing one more opportunity of being heard to the assessee. We also direct the assessee to cooperate with the First Appellate Proceedings of the Ld.CIT(A) without seeking unnecessary adjournments. Therefore, this ground of the assessee is allowed for statistical purposes.

9. Since, Ground No. 2 is adjudicated in favour of assessee, we have not adjudicated Ground No. 3 on the merits of the case.

10. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 15<sup>th</sup> October, 2024.

Sd/-

(दुव्वूरु आरएल रेड्डी)

(DUVVURU RL REDDY)

न्यायिक सदस्य/JUDICIAL MEMBER

Dated :.15.10.2024

Giridhar, Sr.PS

Sd/-

(एस बालाकृष्णन)

(S. BALAKRISHNAN)

लेखा सदस्य /ACCOUNTANT MEMBER

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to:-

1. निर्धारिती/ The Assessee : Yellavarthy Padma Priya  
D.No. 48-6-6/5, Flat No. 401  
Sri Sai Plaza, Basavapunnaiah Street  
Gunadala Vijayawada – 520005  
Andhra Pradesh
2. राजस्व / The Revenue : Income Tax Officer – Ward – 2(3)  
Income Tax Office  
C.R. Building, M.G. Road  
Vijayawada
3. The Principal Commissioner of Income Tax
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, विशाखापटणम /DR,ITAT, Visakhapatnam
5. The Commissioner of Income Tax
6. गार्ड फ़ाईल / Guard file

//True Copy//

आदेशानुसार / BY ORDER

Sr. Private Secretary  
ITAT, Visakhapatnam