

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
'A' BENCH, KOLKATA**

**Before Shri Duvvuru RL Reddy, Vice-President (KZ)  
&  
Shri Rajesh Kumar, Accountant Member**

**I.T.A. No. 568/KOL/2025  
Assessment Year: 2015-2016**

**Ahizanath Mahfula,.....Appellant  
No.6 Flat No. 4A, 4<sup>th</sup> Floor,  
Rutland Gate, 5<sup>th</sup> Street,  
Thousand Lights Chennai-600006,  
Tamil Nadu  
[PAN:BLHPM3128E]**

**-Vs.-**

**Income Tax Officer,.....Respondent  
Ward-32(1), Kolkata,  
Income Tax Office,  
10B, Middleton Road, Kolkata-700071**

**Appearances by:**

*Shri Suryanarayanan Sridhar, A.R., appeared on behalf of  
the assessee*

*Ms. Archana Gupta, Addl. CIT, Sr. D.R., appeared on  
behalf of the Revenue*

**Date of concluding the hearing: August 06, 2025**

**Date of pronouncing the order: August 25, 2025**

**O R D E R**

**Per Duvvuru RL Reddy, Vice-President (KZ):-**

The present appeal is directed at the instance of assessee against the order of Id. Commissioner of Income Tax (Appeals),

National Faceless Appeal Centre (NFAC), Delhi dated 4<sup>th</sup> March, 2025 passed for assessment year 2015-16.

2. The facts in brief are that the assessee is an individual, who entered into a financial transaction with Shri Duraiswamy Ramchandra Sekhera Reddy of sale/purchase of property amounting to Rs.57,18,000/- during the year under consideration. However, the assessee did not file his return of income for the relevant AY 2015-16. The case of the assessee was reopened under section 148 of the Income Tax Act after passing order under clause (d) of section 148A of the Act dated 29.03.2022 towards crediting the amount of Rs.57,18,000/- in his bank account from the account of Duraiswamy Ramchandra Sekhara Reddy, and a notice under section 148 was issued on 29.03.2022. Thereafter notices under sections 142(1) on different dates were issued to the assessee and finally show cause notice under section 144 of the Act was issued to the assessee by the ld. Assessing Officer along with questionnaire asking him to produce the certain details and documents to substantiate his claim, but the assessee failed to comply with the notices issued as per Income Tax Act, 1961. On perusal of the ITBA portal, it is noticed that the assessee has not filed his return of income, but an amount of Rs.57,18,000/- has been credited in his bank account during the year under consideration. The assessee did not produce any supporting document/evidence in support of the amount credited in his bank account maintained by him. The assessee was also given an opportunity vide show-cause notice dated 17.01.2023 mentioning as to why the assessment should not be completed ex-parte under

section 144 of the Act. Getting no response from the side of assessee, the Assessment Unit of Income Tax Department (Assessing Officer) assessed the taxable income of the assessee at Rs.57,18,000/- under section 147 r.w.s. 144/144B of the Income Tax Act, 1961 and penalty proceedings under section 271(1)(c) and 271(1)(b) were initiated separately. Being aggrieved, the assessee preferred an appeal before the ld. CIT(Appeals).

3. The ld. CIT(Appeals) dismissed the appeal of the assessee as the assessee did not bring on record any supporting evidence in support of ground raised by him and repeated non-compliance after providing sufficient opportunities and treated the sale consideration of Rs.57,18,000/- as unexplained short-term capital gain by upholding the order of ld. Assessing Officer.

4. On being aggrieved, the assessee preferred an appeal before the ITAT. At the time of hearing, the ld. Counsel for the assessee argued before the Bench that the ld. CIT(Appeals) passed the order ex-parte without going into merit of the case. Therefore, ld. Counsel pleaded to set aside the order passed by the ld. CIT(Appeals).

5. On the other hand, ld. Departmental Representative brought to our notice that the assessee did not produce the relevant documents as asked by the ld. Assessing Officer at the time of assessment proceedings and ld. CIT (Appeals) during the appellate proceedings. The ld. CIT (Appeals) has given many opportunities to the assessee and the assessee neither filed written submission

nor any evidence before the CIT (Appeals). He further submitted that before the ITAT, the assessee did not substantiate his claim. Therefore, he pleaded to uphold the orders passed by the revenue authorities.

6. We have heard both the sides and perused the material available on record. Considering the facts and circumstances of the case, we are inclined to set aside the order passed by the CIT (Appeals) in order to meet the principle of natural justice, and remit the matter back to the file of Id. CIT (Appeals) with a direction to provide one more opportunity of being heard to the assessee. At the same breath, we also hereby caution the assessee to promptly co-operate with the proceedings before the Id. CIT (Appeals) failing which the Ld. CIT (Appeals) shall be at liberty to pass appropriate order in accordance with law and merits of the case, based on the materials available on the record. Thus, the grounds raised by the assessee in the appeal are allowed for statistical purposes.

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

Order pronounced in the open Court on 25/08/2025.

Sd/-  
**(Rajesh Kumar)**  
**Accountant Member**

Sd/-  
**(Duvvuru RL Reddy)**  
**Vice-President**

***Kolkata, the 25<sup>th</sup> day of August, 2025***

*Copies to :(1) Ahizanath Mahfula,  
No.6 Flat No. 4A, 4<sup>th</sup> Floor,  
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Thousand Lights Chennai-600006,  
Tamil Nadu*

*(2) Income Tax Officer,  
Ward-32(1), Kolkata,  
Income Tax Office,  
10B, Middleton Road, Kolkata-700071*

*(3) CIT(Appeals), NFAC, Delhi;*

*(4) CIT - ;*

*(5) The Departmental Representative;*

*(6) Guard File*

*TRUE COPY*

*By order*

*Assistant Registrar,  
Income Tax Appellate Tribunal,  
Kolkata Benches, Kolkata*

***Laha/Sr. P.S.***