

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH, CHENNAI

श्री एस एस विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री एस. आर. रघुनाथा, लेखा सदस्य के समक्ष
BEFORE SHRI S.S. VISWANETHRA RAVI, JUDICIAL MEMBER AND
SHRI S. R. RAGHUNATHA, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.: 1675/Chny/2025
निर्धारण वर्ष / Assessment Year: 2019-20

Aspen Highlands, Fl, No 26, Second Main Road, CIT Colony, Chennai – 600 004. Tamil Nadu.	vs.	The Income Tax Officer, Non-Corp ward 1(1), Chennai.
[PAN: ABKFA-2192-G] (अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri. K. Ulaganaathan Shankar, CA
प्रत्यर्थी की ओर से/Respondent by : Shri. N. Rajakumar, Addl. CIT.

सुनवाई की तारीख/Date of Hearing : 26.08.2025
घोषणा की तारीख/Date of Pronouncement : 02.09.2025

आदेश / O R D E R

PER S. R. RAGHUNATHA, AM :

This appeal by the assessee is filed against the order of the learned Commissioner of Income Tax (Appeal), NFAC, Delhi, (in short Ld. CIT(A)) for the assessment year 2019-20, vide order dated 15.04.2025.

2. Brief facts of the case are that the assessee is a firm and carry on the business of building construction, real estate and land development and had not filed its return of income for the A.Y.2019-20. As per the information available with the department, the assessee had received interest income of Rs.11,48,679/- during the F.Y.2018-19. However, the assessee had failed to

file the return of income for the A.Y.2019-20. Therefore, as there is escapement of income, in order to assess the correct and exact income of the assessee, proceedings u/s.147 of the Act has been initiated after obtaining proper approval from the Higher Authorities and the notice u/s.148 of the Act was issued. In response to notice u/s.148 of the Act, the assessee filed return of income by declaring an income of Rs.1,82,075/-. The assessee shown sales of Rs.87,696/- and claimed related direct expenses of Rs.4,18,107/- and carriage expenses of Rs14,927/-. Since, the assessee has neither furnished purchase nor sales vouchers the AO disallowed the entire expenditure of Rs.4,38,107/-. Further, the AO based on the information found that the assessee has earned the interest from bank of Rs.11,48,679/- and claimed expenditure of Rs.6,16,193/-. The AO disallowed the said expenditure of Rs.6,16,193/-, as these expenditure are not related to earning of interest income and assessed the total income as Rs.12,36,375/- and concluded the assessment u/s.147 r.w.s 144 of the Act dated 25.01.2024.

3. Aggrieved by the order of the AO, the assessee preferred an appeal before the Id.CIT(A), NFAC.

4. At the outset, we observed that Id.CIT(A) has provided three opportunities for the assessee to appear for hearings as detailed in paragraph 7 of the Id.CIT(A) order to support the appeal of the assessee. However, the assessee chose to be silent and did not respond to any of the notices and hence, the Id.CIT(A), NFAC dismissed the assessee's appeal as deficient by confirming the order of the AO by passing an order dated 15.04.2025. The Id.AR submitted that the assessee had not regularly checked the income tax

portal and his email and hence he was not aware of the notices issued by the Id.CIT(A) and hence he could not appear both before the AO as well as the Id.CIT(A). In view of the above, the Id.AR prayed for one more opportunity before the AO, since the ex parte order has been passed by the AO u/s.144 of the Act. Further, Id.AR assured the bench that the Id.AR will represent on behalf of the assessee before the AO to complete the assessment proceedings effectively.

5. Per contra, the Id.DR submitted that both the Assessing Officer and the Id.CIT(A) provided sufficient opportunity to appear before them. However, the assessee has been negligent in responding to the statutory notices and hence, prayed for confirming the order of the Id.CIT(A).

6. We have heard the rival parties and perused the material available on record and gone through the orders of the lower authorities. We note that the AO has passed an ex parte order by considering the information available with the department and the same has been dismissed by the Id.CIT(A) - NFAC due to non-participation of the assessee before the first appellate authority. Since, the assessee has failed to participate both before the Assessing Officer as well as the appellate authority, we levy the cost of Rs.10,000/- to be paid to State Legal Aid Authority, Hon'ble High Court of Madras and produce proof of payment of cost to the Registry within 30 days from the date of receipt of this order.

7. In view of the above and to meet the ends of justice we set aside the order of Id.CIT(A) and remit the matter back to the file of AO and direct the AO to denovo frame the assessment order in accordance to law, after providing reasonable opportunity to the assessee. Needless to say, the assessee to be diligent and file written submissions and relevant documents if advised so.

8. In the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the court on 02nd September, 2025 at Chennai.

Sd/-
(एस एस विश्वनेत्र रवि)
(S.S. VISWANETHRA RAVI)
न्यायिक सदस्य/Judicial Member

Sd/-
(एस. आर. रघुनाथा)
(S. R. RAGHUNATHA)
लेखा सदस्य/Accountant Member

चेन्नई/Chennai,
दिनांक/Dated, the 02nd September, 2025

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT– Chennai/Coimbatore/Madurai/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF