

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 390/Coch/2025
Assessment Year: 2011-12**

Rejis Joseph Appellant
Mookath House, Kottuvally,
Koonamavu, Ernakulam.
[PAN: AKCPR 3437 J]

vs.

ITO, Ward-3, Aluva Respondent

Appellant by: Smt. Parvathy Ammal, CA
Respondent by: Smt. Leena Lal, Sr. DR

Date of Hearing: 02.06.2025
Date of Pronouncement: 31.07.2025

ORDER

This appeal filed by the assessee is directed against the order of the ADDL/JCIT(A)-3, Kolkata [CIT(A)] dated 20.03.2025 for Assessment Year (AY) 2011-12.

2. Brief facts of the case are that assessee is an individual. Return of income for the AY 2011-12 was filed on 30/07/2011 declaring income of Rs. 1,07,445/-. In the return of income, the assessee claimed exemption u/s. 10(37) of the Income Tax Act,

1961 (for short, 'the Act') for enhanced compensation received on compulsory acquisition of agricultural land of Rs. 52,63,811/-. Against the said return of income, the assessment was completed by the ITO, Ward-3, Aluva (for short, 'AO') vide order dated 30/08/2013 at a total income of Rs. 4,27,450/-.

3. Subsequently, the Principal Commissioner of Income-tax, Kochi-2 (for short, 'PCIT') on examination of the assessment record opined that assessment order is erroneous and prejudicial to the interest of the revenue and accordingly, set aside the assessment and directed the AO to bring the tax on receipt of interest on enhanced compensation. The AO passed a consequential order vide order dated 18/03/2016 passed u/s. 143(3) r.w.s. 263 of the Act by bringing the tax on interest compensation received @ 50% of the gross amount of interest of Rs. 23,22,680/-.

4. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order dismissed the appeal *ex parte* for non prosecution.

5. Being aggrieved, the assessee is in appeal before the Tribunal in the present appeal.

6. It is submitted that hearing notices issued by National Faceless Appeal Centre (NFAC) were sent to wrong email ID and therefore, assessee could not appear before the NFAC. It is further submitted that the matter may be remanded back to the file of Ld. CIT(A), so that assessee can substantiate his claim.

7. On the other hand, ld. DR has no serious objection for remanding the matter to the Ld. CIT(A).

8. I find that the learned CIT(A) dismissed the appeal *in limine* for non prosecution. As contemplated u/s. 250(6) of the Act the CIT(A) is required to frame points of determination followed by a detailed discussion thereupon before passing the order. It is the settled position of law that the CIT(A), even while disposing of the appeal *ex parte*, is duty bound to dispose of the appeal on merits. Reliance in this regard can be placed on the decision of the Hon'ble Bombay High Court in the case of *PCIT vs. Premkumar Arjundas Luthra* (279 CTR 614). Therefore, in the light of the above legal position I am of the considered view that the matter requires to be remanded to the file of the CIT(A) with a direction to dispose of the appeal *de novo* on merits after affording reasonable opportunity of hearing to the assessee.

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

Order pronounced in the open court on 31st July, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 31st July, 2025

vr/-

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin