

आयकर अपीलिय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'B' Bench, Hyderabad
श्री विजय पाल राव, उपाध्यक्ष एवं
श्री मधुसूदन सावडिया, लेखा सदस्य के समक्ष ।
BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं / **ITA No.1286/Hyd/2025**
(निर्धारण वर्ष / Assessment Year: 2021-22)

Shri Mazher Ali Khan, Hyderabad. PAN: AEZPK4724N	Vs.	Dy. CIT, Circle 6(1) Hyderabad
(Appellant)		(Respondent)
निर्धारिती द्वारा / Assessee by:	Shri P. Vinod, Advocate	
राजस्व द्वारा / Revenue by:	Dr. Sachin Kumar, Sr. DR	
सुनवाई की तारीख / Date of hearing:	06/10/2025	
घोषणा की तारीख / Pronouncement:	06/10/2025	

आदेश / ORDER

PER MADHUSUDAN SAWDIA, A.M. :

This appeal is filed by Shri Mazher Ali Khan ("the assessee") feeling aggrieved by the order passed by the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)") dated 28/07/2025 for the A.Y 2021-22.

2. The assessee has raised the following grounds of appeal:

1. On the facts and in the circumstances of the case, the order of the Id. CIT(A) is erroneous and unsustainable in law apart from being passed in violation of principles of natural justice. The Id. CIT(A) failed to appreciate that in response to notices issued on 11.08.2023 & 08.07.2025 the Appellant sought adjournment and that the Id. CIT(A) without granting sufficient opportunity has dismissed the appeal.
2. Without prejudice to the above, the Id. CIT(A) erred in sustaining the addition made by the AO of Rs.4,78,93,000 as long term capital gains by recomputing the index cost of acquisition and denying the claim deduction made u/s.54 of the Act on the ground that investment is made in the name of appellants wife.
3. The Id. CIT(A) erred in sustaining the addition made by the AO of Rs.27,70,000 as unexplained money u/s.69A of the Act.

(Tax Effect: Rs.1,26,09,244)

4. Any other ground that may be urged at the time of hearing.
3. The brief facts of the case are that the assessee is an individual who had filed an appeal before the Ld. CIT(A) against the assessment order of Learned Assessing Officer passed under section 143(3) read with section 144B of the Income Tax Act, 1961 (“the Act”) dated 20.12.2022. During the appellate proceedings, the assessee sought adjournments for various notices issued by the Ld. CIT(A). However, the Ld. CIT(A), after observing that the assessee was not interested in pursuing the appeal, dismissed the same for non-prosecution.
4. Aggrieved with the orders of the Ld. CIT (A), the assessee is now in appeal before the Tribunal. The Learned Authorised Representative (“Ld. AR”) submitted that the assessee had sought adjournment for four weeks vide submission dated 15.07.2025 in response to the notice dated 08.07.2025 issued by

the Ld. CIT(A). However, without considering the request for adjournment, the Ld. CIT(A) issued a final notice on 18.07.2025 and dismissed the appeal by order dated 28.07.2025. It was contended that the order of the Ld. CIT(A) suffers from violation of the principles of natural justice, as adequate opportunity was not granted to the assessee to present his case. The Ld. AR prayed that one more opportunity may kindly be given to the assessee by remitting the matter back to the file of the Ld. CIT(A) for adjudication on merits.

5. Per contra, the Learned Departmental Representative (“Ld. DR”) opposed the plea for remand and submitted that the assessee had repeatedly sought adjournments without any sufficient or reasonable cause. Therefore, there is no infirmity in the action of the Ld. CIT(A) in dismissing the appeal for non-prosecution.

6. We have considered the rival submissions and perused the material available on record. It is evident that the Ld. CIT(A) dismissed the appeal of the assessee merely on the ground that the assessee had repeatedly sought adjournments. The assessee has explained that a request for adjournment was made on 15.07.2025, but the same was not considered by the Ld. CIT(A). In our considered view, dismissal of an appeal for non-prosecution without adjudicating the issues on merits amounts to denial of natural justice. Accordingly, in the interest of justice, we deem it proper to set aside the order of the Ld. CIT(A) and remit the matter

back to his file with a direction to afford adequate opportunity to the assessee and decide the appeal afresh on merits, in accordance with law. The assessee is also directed to extend full cooperation and not to seek unnecessary adjournments.

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

Order pronounced in the Open Court on 6th October, 2025.

Sd/-

(VIJAY PAL RAO)
VICE PRESIDENT

Hyderabad.

Dated: 6th October, 2025

Pvv

Copy of the Order forwarded to :

1.	Shri Mazher Ali Khan, 6-3-249/A Road No.1 Banjara Hills Hyderabad 500034
2.	Dy. CIT, Circle 6(1) IT Towers, AC Guards, Masabtank, Hyderabad 500004
3.	Pr.CIT, Hyderabad.
4.	DR, ITAT, Hyderabad.
5.	Guard file.

BY ORDER,

Sd/-

(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER