

**IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH : BANGALORE**

**BEFORE SHRI.LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND SHRI. KESHAV DUBEY, JUDICIAL MEMBER**

ITA No.1545/Bang/2025
Assessment Year : 2013-14

Mr. Bommanayakanahalli Siddaiah Somashekhar, #51/4 21 st Main, 22 nd Cross, Behind Maruthi Mandira, Vijaynagar, Bangalore – 560 040, Karnataka. PAN : AINPS 4894 D	Vs.	ITO, Ward – 5(1)(1), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Shri. Adarsh, CA
Revenue by	:	Shri. Muthu Shankar, CIT(DR)(ITAT), Bangalore.

Date of hearing	:	06.10.2025
Date of Pronouncement	:	15.10.2025

ORDER

Per Laxmi Prasad Sahu, Accountant Member :

This appeal is filed by the assessee against the ex-parte Order passed by the CIT(A) dated 29.04.2025, DIN & Order No. ITBA/NFAC/S/250/2024-25/1070753848(1).

2. At the outset of hearing, we noted that appeal filed by the assessee is delayed by 164. In this regard, assessee has filed reason for delay in filing the appeal. On going through the above reasons, we noted that there is reasonable cause for delay and reasons have been explained. On going through the explanation submitted by the learned Counsel and by relying on the judgment of the Hon’ble Supreme Court in the case of Collector of Land Acquisition Vs. MST Katiji and Others, (1987) 2 SCC 107 : 1987 (2) SC, the delay in filing the appeal is condoned.

3. Briefly stated the facts of the case are that as per information received, assessee had transferred land at Rs.13,41,00,000/- to M/s. SNN Properties (LLP) during the impugned Assessment Year but no return of income was filed. Therefore, after following due procedures, assessee was issued notice and the case was reopened on 20.03.2020, notice was issued u/s148 of the Act and was granted 30 days time to file return of income but assessee filed return of income on 11.01.2020 declaring total income of Rs.3,32,510/-. Subsequently, other statutory notices were issued to the assessee. Assessee furnished reply and it was stated that the impugned properties (agricultural land) was transferred to Shri. M. Krishnappa, the father of Pradeep Krishna to meet urgent financial requirements during Financial Year 1997-98 through registered GPA dated 23.02.1998. All rights and enjoyment in the property had passed to the transferee at that time. The only step not taken was the execution of a formal conveyance. For income tax purposes, the transfer within the meaning of section 2(47) of the Act was complete. By virtue of not executing a formal conveyance, assessee subsequently executed registered JDA, GPA and Sharing Agreement during Financial Year 2010-11 in favour of Shri. Pradeep Krishna for the same land as requested by Shri. M. Krishnappa only to give full legal rights in favour of Shri. Pradeep Krishna although the transaction in substance was completed many years ago. Subsequently, Shri Pradeep Krishna has sold portion of these lands to M/s SNN Properties (LLP) during the Financial Year 2012-13. Since. no formal conveyance sale deed had been executed originally, the property stood in assessee's name that is why the assessee executed sale deed in favour of M/s SNN Properties (LLP) in order to give clear legal title. Sale Consideration was immediately to the seller Sri Lakshmi Enterprises wherein Shri Priya Krishna is the proprietor and assessee has signed the documents (Sale Deed) to perfect the title in favour of M/s SNN Properties. Shri Pradeep Krishna has declared capital gain in his return of income and paid due taxes. After considering the

entire reply, the AO noted no proof of transfer of agricultural land to Shri. M. Krishnappa was submitted although the sale proceeds were transferred to Shri. Pradeep Krishna and the AO further noted from sale deed para Nos.9 and 10 that the original JDA, GPA and Sharing Agreement has been cancelled and supplementary agreement has been entered into. However, the assessee has not submitted the supplementary agreement. Accordingly, sale proceeds amount of Rs.13,41,00,000/- was added to the income of the assessee. The AO completed the Assessment on 28.09.2021.

4. Aggrieved from the above Order, assessee filed appeal before the learned CIT(A) on 13.10.2021 raising various issues. As per the appellate proceedings, notice for hearing was issued to the assessee on different dates on the email address nvsln@gmail.com provided by the assessee but there was no response received from the assessee's side. Accordingly, the learned CIT(A) decided the issue on the basis of documents available before him and dismissed appeal of the assessee.

5. Aggrieved from the above Order, assessee filed appeal before the Tribunal. The learned Counsel reiterated the statement of facts and submissions made before the lower authorities and submitted that it would be double taxation on the sale of one land. The property was transferred in favour of Shri. Pradeep Krishna in the year 1997-98 by registered GPA. Therefore as per provisions of section 2(47) of the Act, the transfer was duly covered under section 2(47) of the Act. Therefore assessee is not liable for capital gain tax arising on the sale of properties and he further submitted that the sale consideration received was immediately transferred in the account of Sri Lakshmi Enterprises wherein Shri. Pradeep Krishna is a proprietor and which can be verified by the bank account and Shri. Pradeep Krishna has offered capital gain because he was the real owner in terms of section 2(47) of the Act.

Therefore, it will be great injustice to the assessee if the sale proceeds are taxed in the hands of assessee and he further submitted that notice issued by the learned CIT(A) to the email provided could not be seen as it might have settled in the spam folder therefore notice could not be responded and requested and undertook that if a chance is given to the assessee, assessee will substantiate his case.

6. On the other hand, learned DR relied on the Order of lower authorities and submitted that the Order passed by the AO should not be disturbed because during the course of reassessment proceeding, assessee was unable to substantiate his case before the lower authorities and he further submitted that the assessee did not file his return of income within due date as provided in the notice.

7. Considering the rival submissions and on perusal of entire material available on record and Orders of authorities below, we noted that assessee has transferred various land to M/s. SNN Properties (LLP) and received consideration of Rs.13,41,00,0000/- but no return of income was filed by the assessee. Therefore, as per information received internally notice was issued to the assessee and during the course of assessment proceedings, assessee has field explanations but as per observation of the authorities below, no documents were submitted to substantiate his case and before the learned CIT(A), assessee has not responded to any of the notice issued. We also noted from the arguments of the learned AR that entire sale consideration has been transferred to Shri. Pradeep Krishna (GPA holder) and Shri. Pradeep Krishna has paid capital gain tax on the sale proceeds. Considering the facts of the case and in in the interest of justice we are remitting this issue back to the file of CIT(A) for a fresh consideration and decide the issue as per law after giving reasonable opportunities to the assessee. Assessee is directed to produce

requisite documents to supports his case and not to seek unnecessary adjournments for early disposal of the case. In case of failure, no second leniency shall be granted to the assessee.

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

Pronounced in the open court on the date mentioned on the caption page.

Sd/-

(KESHAV DUBEY)
Judicial Member

Sd/-

(LAXMI PRASAD SAHU)
Accountant Member

Bangalore.

Dated: 15.10.2025.

/NS/*

Copy to:

1. Appellants
2. Respondent
3. DRP
4. CIT
5. CIT(A)
6. DR, ITAT, Bangalore.
7. Guard file

By order

Assistant Registrar,
ITAT, Bangalore.