

**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH : BANGALORE**

**BEFORE SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA No. 1484/Bang/2025
Assessment Year : 2019-20

Ms. Venkataswamy Yashoda, 107, Sarvananda Nilaya, Anand Nagar, Marathalli Post, Bangalore – 560 037. PAN: ABIPY1846R	Vs.	The Income Tax Officer, Ward – 4(1)(3), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Shri Shivakumar, CA
Revenue by	:	Shri Subramanian .S, JCIT-DR

Date of Hearing	:	24-09-2025
Date of Pronouncement	:	14-11-2025

ORDER

PER SOUNDARARAJAN K., JUDICIAL MEMBER

This is an appeal filed by the assessee challenging the order of the NFAC, Delhi dated 05/05/2025 in respect of the A.Y. 2019-20.

2. The brief facts of the case are that the assessee is an individual and not filed her return of income. Thereafter a notice u/s. 148A(b) of the Act was issued on the basis that the assessee had received interest of Rs. 2,69,430/- and also had a time deposit in Sreenidhi Souharda Sahakari Bank, Niyamitha. The assessee filed their reply but the AO not satisfied with the reply had made an order u/s. 148A(d) of the Act. Thereafter notice u/s. 148 was issued for which the assessee filed her return of income. Subsequently, a revised return of income was also filed by the assessee

showing the capital gains and other incomes. The assessee also filed the computation for arriving the capital gains but the AO had not accepted the cost of improvement of Rs. 33,62,012/-. The assessment has been completed by adding the cost of improvement and also a sum of Rs. 28,00,000/- u/s. 69A of the Act since the assessee had not satisfactorily explained the source for the time deposit. The assessee had challenged the said order before the Ld.CIT(A) and disputed the addition made by disallowing the cost of improvement and the addition made u/s. 69A of the Act. The assessee had also raised several legal grounds in respect of the jurisdiction of the notice issued by the JAO and also about the jurisdiction of the officer who has issued notice u/s. 148A and 148 of the Act. The Ld.CIT(A) had issued notices on four occasions but the assessee had not filed any written submissions as well as not filed any documents in support of the grounds raised by him and therefore the Ld.CIT(A) had considered the grounds and dismissed the appeals for the reason that no supporting documents were filed by the assessee.

3. As against the said order, the present appeal has been filed before this Tribunal.

4. At the time of hearing, the Ld.AR submitted that the various hearing notices issued by the Ld.CIT(A) was not received by the assessee and therefore the assessee had now furnished the another email ID in form no. 36 and prayed that another opportunity may be granted by sending hearing notices in the present email ID. The Ld.AR also submitted that on merits, the assessee is having all the required documents to show that the disallowance of cost of improvement is not correct and also that the addition made u/s. 69A of the Act is also against the facts of the case.

5. The Ld.DR relied on the orders of the lower authorities and prayed to dismiss the appeal.

6. We have heard the arguments of both sides and perused the materials available on record.

7. In the present appeal, the assessee has raised two disputes relating to the disallowance of the cost of improvement as well as the addition made u/s. 69A for the reason that the source for the time deposit was not furnished by the assessee. The assessee, on merits submitted that the disallowance of cost of improvement is against the facts of the case and submitted that the addition made u/s. 69A is also not made without appreciating the source for the said term deposit. The assessee also raised the legal grounds but unfortunately, the assessee had not appeared before the Ld.CIT(A) and produced the required documents and therefore the Ld.CIT(A) had dismissed the appeals. We have also considered the submissions made by the Ld.AR that the hearing notices sent to the email ID vohrapackaging@yahoo.in was not brought to the knowledge of the assessee and therefore he was not able to file the written submissions and also the documents in support of the grounds raised by him.

8. Considering the said facts and circumstances of the case, the Ld.CIT(A) had decided the appeal ex-parte, we are inclined to grant one more opportunity to the assessee to appear before the Ld.CIT(A). We, therefore, set aside the order of the Ld.CIT(A) and remit this issue to the file of the Ld.CIT(A) for deciding the appeal on merits, after hearing the assessee as well as after receiving the documents in support of the grounds raised by the assessee.

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

Order pronounced in the open court on 14th November, 2025.

Sd/-
(LAXMI PRASAD SAHU)
Accountant Member

Sd/-
(SOUNDARARAJAN K.)
Judicial Member

Bangalore,
Dated, the 14th November, 2025.
/MS /

Copy to:

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

By order

Assistant Registrar,
ITAT, Bangalore