



**IN THE INCOME TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT  
BEFORE SHRI DIESH MOHAN SINHA, JUDICIAL MEMBER**

**&**

**SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**

**आयकरअपीलसं./ITA No. 167/SRT/2025  
(निर्धारणवर्ष / Assessment Year: (2016-17)  
(Hybrid Hearing)**

Shri Jayantibhai Chimanbhai Patel Shop No.3, Narayan Complex, Piplod, Piplod, Surat	<b>Vs.</b>	Income-tax Officer, Ward- 2(3)(2) Surat
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: <b>AKRPP7412J</b>		
<b>(Appellant)</b>		<b>(Respondent)</b>

Appellant by : Shri Rajesh Upadhyay, AR  
Respondent by : Shri Ajay Uke, Ld. Sr. DR

**Date of Hearing : 31/07/2025**  
**Date of Pronouncement : 28/10/2025**

**आदेश / ORDER**

**PER DINESH MOHAN SINHA, JM:**

Captioned appeal filed by the assessee, pertaining to Assessment Year (AY) 2016-17, is directed against the order passed by National Faceless Appeal Centre(NFAC) dated 29.06.2024, which in turn arises out of an assessment order dated 25.05.2023 passed by Income Tax Department / Assessing Officer under section (u/s.) 147 r.w.s 144B of the Income Tax Act, 1961.



2. Grounds of appeal raised by the Assessee are as follows:

1. Ld. CIT(A), NFAC has erred in law and on fact to uphold AO's reopening of assessment U/s. 148A ignoring the law that proceedings U/s. 148A are not in accordance with the provisions of the law. He further ignored the fact that Intimation for notice U/s. 148 dated 30/07/2022 is barred by limitation. Additionally, he also erred in not considering the fact that difference in estimation of cost of acquisition as on 1/04/1981 does not amounts to escapement of income.

2. Ld. CIT(A), NFAC has erred in law and on fact to direct the AO to work out LTCG by taking cost of acquisition as on 1/4/1981 at Rs. 160/- per Sq. Mt. based on DVO Report as against appellant's claim for cost of acquisition at RS. 225/- per Sq. Mt. supported by RVO Report for immovable property bearing R.S. No. Old- 468, R.S. No. New 306, Plot No.17, TP Scheme No.6 Vesu, Surat.

3. Facts of the case:

Appellant is an individual has filled her ROI for AY 2016-17 at total income at Rs. 1,90,370/- That the assessee earn interest income, income from LTCG at Rs. NIL and rental income of Rs. 1,26,000/- have been offered. His case was reopened on the basis of cost of acquisition which claimed on higher side looking to a valuation report of registered valuer shri T J Shukla. A notice u/s 148 was issued and subsequently assessment was completed u/s 147 r.w.s. 144B of the Act. Addition of Rs. 1,03,76,967/- have been made without there being any evidence on record and ignoring valuation report of registered valuer. AO allowed Index cost of acquisition at Rs. 53,37,800/- as against appellant claimed of such cost at RS. 1,57,14,767/-. A penalty proceedings u/s 271(1)(c) have also been initiated for furnishing inaccurate particular and concealment of income. The assessment was completed on total income of Rs 1,05,67,337/- with an addition of Rs. 1,03,76,967/- on account of LTCG on the return income of Rs 1,90,370/-.



5. The assessee filed an appeal before the Ld. CIT(A) against the issued order dated 25.05.2023. Ld. CIT(A) partially allowed the appeal by order dated 29.06.2024.

6. The assessee challenged the legality and validity of order dated 29.06.2024 by moving an appeal before this tribunal.

- The Ld. AR of the assessee submitted that the assessee filed return correctly showing his interest income, his capital gain and rental income of Rs 1,26,000/-.
- The Ld. DR of the revenue relied on the order of lower authority.

7. We have heard both party and perused the material available on record. We note that The Ld. CIT(A) has acknowledged the detail submitted by assessee during the course of appellate proceedings. We further note that the Ld. CIT(A) has decided the case on the basis of the detail submitted by the appellant without calling the remand from the assessing officer. We further note that there is a difference of opinion with the assessee and the assessing officer in calculating the cost of acquisition of the property in question.

8. That Ld. CIT(A) has decided the case on the basis of detailed filed by the assessee, The AO has accepted the DVO report without giving an opportunity to the assessee to explain the case. Considering the facts and circumstances of the case we are of the view that the case is not properly adjudicated before the lower authority, hence one more opportunity be given to the assessee to present his case before the AO. We remand the case back to the file of AO for proper adjudication and after giving due opportunity of being heard to the assessee. The assessee is directed to comply with the direction of AO.



9. In the result, The appeal of the assessee is allowed for statistical purpose.

**Order pronounced in the open court on 28/10/2025.**

**SD/-**

**(BIJAYANANDA PRUSETH)  
ACCOUNTANT MEMBER**

**SD/-**

**(DINESH MOHAN SINHA)  
JUDICIAL MEMBER**

Rajkot

दिनांक/ Date: 28/10/2025

**Copy of the Order forwarded to**

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Surat
6. Guard File

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By Order

Assistant Registrar/Sr. PS/PS  
ITAT, Surat