

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ "बी", चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL, CHANDIGARH BENCH "B", CHANDIGARH

HEARING THROUGH: HYBRID MODE

श्री ललित कुमार, न्यायिक सदस्य एवं श्री कृणवन्त सहाय, लेखा सदस्य
BEFORE: SHRI. LALIET KUMAR, JM & SHRI. KRINWANT SAHAY, AM

आयकर अपील सं. / ITA Nos. 1215 & 1216 /Chd/ 2024
निर्धारण वर्ष / Assessment Year : 2013-14

The ITO Nahan	बनाम	Ram Swroop Village Siun, Tehsil Sangrah Dist: Sirmour, Himachal Pradesh- 173023
स्थायी लेखा सं. / PAN NO: ESNPS9736N		
अपीलार्थी/ Appellant		प्रत्यर्थी/ Respondent

निर्धारिती की ओर से/ Assessee by : Shri Sachin Doger, CA (Virtual Mode)
राजस्व की ओर से/ Revenue by : Dr. Ranjit Kaur, Addl. CIT, Sr. DR

सुनवाई की तारीख/Date of Hearing : 14/01/2026
उदघोषणा की तारीख/Date of Pronouncement : 15/01/2026

आदेश/Order

PER LALIET KUMAR, J.M:

Both the above appeals have been filed by the Revenue against the separate orders of Ld. CIT, NFAC, Delhi each dt. 23/10/2024 pertaining to Assessment Year 2013-14 respectively.

2. Since the issues involved in both the above appeals are common and the appeals were heard together, the same are being disposed of by this consolidated order for the sake of convenience and brevity.

3. We shall take up the Revenue's appeal in ITA No. 1215/Chd/2024 pertaining to the Assessment Year 2013-14 as the lead case for the purpose of adjudication, wherein the Revenue has raised the following grounds:

(i) Whether the Ld. CIT (A)/ NFAC has erred on facts and in law in allowing benefits of additional evidence submitted by the assessee during the appellate proceedings without providing opportunity to the AO to examine the same, and offer his comments as per Rule-46A of the Income Tax Rules, 1962.

(ii) Whether the Ld. CIT (A)/NFAC has erred on facts and circumstances of the case in allowing appeal of the assessee and deleting addition of Rs.

2,53,00,000/-, ignoring the facts that the assessee did not submit any information inspite of issuing various statutory notices.

(iii) It is prayed that the order of the Ld. CIT(A) be set-aside and that of the Assessing Officer may be restored.

(iv) It is prayed that the order of the Ld. CIT(A) be revoked and that of the Assessing Officer may be restored.

4. Briefly, the facts of the case are that the assessment was completed by the Assessing Officer by making additions on account of unexplained investments in Fixed Deposit Receipts (FDRs).

5. Aggrieved by the said assessment order, the assessee preferred an appeal before the Ld. CIT(A).

6. During the appellate proceedings, the assessee furnished additional evidence which was not produced before the Assessing Officer during the course of assessment proceedings. Relying upon such additional evidence, the Ld. CIT(A) granted relief to the assessee.

7. Against the order of the Ld. CIT(A) the Revenue preferred in appeal before the Tribunal.

8. During the course of hearing the Ld. DR challenged the impugned order on the ground that the Ld. CIT(A) admitted and relied upon additional evidence in violation of Rule 46A of the Income Tax Rules, 1962, without confronting the Assessing Officer and without calling for a remand report or comments from the Assessing Officer.

9. Per contra, the Ld. AR for the assessee submitted that the FDRs were made out of the amount received by the assessee on account of compulsory acquisition of land. It was submitted that the compensation was received pursuant to an award passed by the competent authority and the same is verifiable from public records. It was further submitted that the entire flow of funds is reflected in the bank statements and, therefore, no prejudice has been caused to the Revenue.

10. We have heard the rival submissions and perused the material available on record. Undoubtedly, the assessee has taken a plea that the source of investment in FDRs is the compensation received on compulsory acquisition of land and that the supporting evidence is in the form of the award passed by the competent authority and the corresponding bank statements. However, the manner in which such evidence has been dealt with by the Ld. CIT(A) does not conform to the statutory scheme.

10.1 It is a settled position of law that while exercising appellate powers, the Ld. CIT(A) is duty-bound to confront the Assessing Officer with any additional evidence filed by the assessee and to call for a remand report or comments from the Assessing Officer before placing reliance upon such evidence. Compliance with Rule 46A is mandatory and is an integral part of the principles of natural justice. The Ld. CIT(A) cannot bypass the Assessing Officer and adjudicate the issue solely on the basis of additional evidence, even if such evidence is claimed to be available in the public domain.

10.2 In the present case, the Ld. CIT(A) has accepted and relied upon the additional evidence and granted relief to the assessee without affording any opportunity to the Assessing Officer to examine the evidence or to submit his comments. Such an approach is contrary to Rule 46A and amounts to violation of the principles of natural justice.

10.3 In view of the above, we set aside the impugned order and restore the matter to the file of the Ld. CIT(A) with a direction to confront the Assessing Officer with the additional evidence, call for a remand report/comments, grant due opportunity of being heard to both the parties, and thereafter decide the appeal afresh on merits in accordance with law.

10.4 We clarify that we have not expressed any opinion on the merits of the case, including the assessee's claim that the FDRs were made out of compensation received on compulsory acquisition of land, and all contentions are left open.

11. Both the parties fairly submitted that the facts and circumstances of the other appeal, i.e., ITA No. 1216/Chd/2024, are exactly identical to those in ITA No. 1215/Chd/2024, and that similar contentions raised therein may be considered. Therefore, our findings and directions given in ITA No. 1215/Chd/2024 shall apply *mutatis mutandis* to the other appeal as well. Accordingly, the same is allowed for statistical purposes.

12. In the result, both the above appeals of the Revenue are allowed for statistical purposes.

Order pronounced in the open Court on 15/01/2026

Sd/-

कृणवन्त सहाय
(KRINWANT SAHAY)

लेखा सदस्य/ ACCOUNTANT MEMBER

Sd/-

ललित कुमार
(LALIET KUMAR)

न्यायिक सदस्य / JUDICIAL MEMBER

AG

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. आयकर आयुक्त (अपील) / The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
6. गार्ड फाईल/ Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar