

IN THE INCOME TAX APPELLATE TRIBUNAL “D” BENCH, MUMBAI

BEFORE SHRI VIKRAM SINGH YADAV, AM
AND
MS. KAVITHA RAJAGOPAL, JM

ITA No.7277/Mum/2025
(Assessment Year: 2014-15)

Mr. Mohanlal Jawanlal Sakaria, 52-62 Varjivan Mansion Princess Street, Kalabadevi Road Mumbai, Mumbai – 400 002	Vs.	DCIT Circle 20(1), Piramal Chamber, Mumbai – 400 013
PAN No.AAGPJ5192E		
(Appellant)	:	(Respondent)
Assessee by	:	None
Respondent by	:	Shri Annavaram Kosuri, Sr. AR
Date of Hearing	:	22.01.2026
Date of Pronouncement	:	27.01.2026

ORDER

Per Kavitha Rajagopal, J M:

This appeal has been filed by the assessee, challenging the impugned order of the Learned Commissioner of Income Tax (Appeals) [‘Ld. CIT(A)’ for short], National Faceless Appeal Centre (‘NFAC’ for short) passed u/s.250 of the Income Tax Act, 1961 (‘the Act’ for short), pertaining to the Assessment Year (‘AY’ for short) 2014-15.

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

“1. On the facts & in the circumstances of the case and in law the Hon'ble CIT (A) erred in not providing an opportunity and passing an ex parte order u/s 250 of the Act and confirming the addition made by the Ld. AO and the reasons assigned for doing so are wrong and contrary to the provisions of Income Tax and rules made thereunder.

2. On the facts and in the circumstances of the case and in law the Hon'ble CIT(A) erred in upholding the addition of Rs.1,56,79,138/- made by Ld. AO to the retuned income by



rejecting exemption claimed u/s 10(38) of the IT Act on sale of shares as unexplained cash credit u/s 68 of the IT Act 1961 and the reason assigned for doing so are wrong and contrary to the provisions of the IT Act and rules made there under.

3. On the facts and in the circumstances of the case and in law the Hon'ble CIT(A) erred in upholding the penalty initiated by the Ld. AO u/s. 271(1)(c) of the IT Act 1961 and the reason assigned for doing so are wrong and contrary to the Provisions of Income Tax Act and Rules made there under.

4. Your Appellant crave, leave to add, alter, amend or modify any or all grounds of appeal on or before the date of hearing.”

3. As there was no representation by the assessee on several hearings, we hereby proceed to decide this appeal by hearing the Learned Departmental Representative (“Ld. DR” for short) for the Revenue and on perusal of the materials available on record.

4. It is observed that the present appeal has been filed belatedly with a delay of 225 days, for which the assessee has filed an application for condoning the delay along with an affidavit. Upon perusal of the same, we deem it fit to hold that the assessee had “sufficient cause” for the delay in filing the appeal beyond the period of limitation. Delay is condoned.

5. Brief facts of the case are that the assessee is an individual and had filed his return of income for the year under consideration dated 29.09.2014 declaring total income at Rs.15,49,770/- and subsequently filed a revised return dated 11.12.2014 declaring total income at Rs.20,38,170/-. The assessee’s case was reopened based on the information from the investigation wing, New Delhi that the assessee has transacted in the shares of penny stock company namely M/s. Mahanivesh (India) Ltd. amounting to Rs.1,56,79,138/- during the year under consideration and had claimed exempt Long Term Capital Gain (“LTCG” for short) amounting to Rs.1,55,04,242/-. The Learned Assessing Officer (“the



Ld. AO” for short) issued notice u/s 148 dated 31.03.2021 and in response to which the assessee filed his return of income dated 20.05.2021 declaring total income at Rs.20,38,170/-. The Ld. AO passed the assessment order u/s 147 r.w.s. 144B of the Act dated 28.03.2022 determining total income at Rs.1,77,17,308/- after making an addition/disallowance u/s 68 r.w.s. 115BBE of the Act as unexplained cash credit amounting to Rs.1,56,79,138/-.

6. Aggrieved, the assessee was in appeal before the first appellate authority who vide order dated 08.01.2025 dismissed the appeal filed by the assessee on the ground that the assessee has failed to establish the genuineness of the LTCG claim by cogent evidences.

7. Aggrieved, the assessee is in appeal before us challenging the order of the first appellate authority on the abovementioned grounds.

8. We have heard the Ld. DR and perused the materials available on record. It is observed that in ground No.1 the assessee has challenged the order of the Ld. CIT(A) stating that the Ld. CIT(A) has not provided the assessee with an opportunity of hearing and had passed an ex-parte order without considering the submission of the assessee. On perusal of the order of Ld. CIT(A), it is evident that the assessee has furnished information such as bank statement copy, Form 26AS, contract notes, Dmat account copy and computation of income etc. but the same has not been dealt with by the first appellate authority on the merits of the evidences furnished by the assessee. It is further observed that the assessee has also alleged that he was denied the opportunity to cross examining the individuals whose statements were relied upon by the Ld. AO and also that the Ld. AO has



extensively relied on the SEBI report. The Ld. CIT(A) has failed to pass a speaking order on all these issues raised by the assessee before the first appellate authority and has also not dealt with the evidences filed by the assessee on the merits of the case. Upon considering the same, we deem it fit to remand all these issues back to the file of the Ld. CIT(A) to pass a speaking order after duly considering the submissions of the assessee and the supporting documentary evidences relied upon by the assessee to substantiate his claim. We therefore allow ground No.1 of the assessee.

9. As we have remanded this issue back to the Ld. CIT(A), the other grounds of appeal on the merits require no further adjudication and thereby direct the Ld. CIT(A) to decide all these issues *denovo* on the merits and in accordance with law.

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

Order pronounced in the open court on 27.01.2026

Sd/-
(VIKRAM SINGH YADAV)
ACCOUNTANT MEMBER

Sd/-
(KAVITHA RAJAGOPAL)
JUDICIAL MEMBER

Mumbai; Dated: 27.01.2026

**Kishore, Sr. PS*

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT- concerned
4. DR, ITAT, Mumbai
5. Guard File



ITA No.7277/Mum/2025
Mr. Mohanlal Jawanlal Sakaria

BY ORDER,

(Dy./Asstt.Registrar)
ITAT, Mumbai

