

आयकर अपीलीय अधिकरण, रायपुर न्यायपीठ, रायपुर
IN THE INCOME TAX APPELLATE TRIBUNAL RAIPUR BENCH, RAIPUR
श्री पार्थ सारथी चौधरी, न्यायिक सदस्य एवं श्री अवधेश कुमार मिश्र, लेखा सदस्य के समक्ष
BEFORE SHRI PARTHA SARATHI CHAUDHURY, JM &
SHRI AVDHESH KUMAR MISHRA, AM

आयकर अपील सं. / ITA No: 53/RPR/2026
(निर्धारण वर्ष Assessment Year: 2018-19)

Sanjay Mittal, Hind Unitrade Pvt. Ltd., Old Bus Stand, Near Maya Lodge, Ambikapur (C.G.) 497001	Vs	Assistant Commissioner of Income Tax, Central Circle, Bilaspur, Aaykar Bhawan, Bilaspur (C.G.) 495001
PAN: ADTPM5911C		
(अपीलार्थी/Appellant)	:	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से / Assessee by	:	Shri R. B. Doshi, CA
राजस्व की ओर से / Revenue by	:	Ms. Bharti Singh, CIT-DR.
सुनवाई की तारीख / Date of Hearing	:	19/02/2026
घोषणा की तारीख / Date of Pronouncement	:	19/02/2026

आदेश / ORDER

Per Avdhesk Kumar Mishra, AM:

This appeal for Assessment Year ('AY') 2018-19 filed by the assessee is directed against order dated 25.11.2025 of the Commissioner of Income Tax (Appeals), Raipur-3 [CIT(A)] passed under section 250 of the Income Tax Act, 1961 ('Act').

2. The appellant assessee has raised following grounds of appeal: -

"1. Ld. CIT(A) erred in confirming addition of Rs.12,10,62,436/- made by AO on account of difference between cost of construction debited in books and value estimated by Approved Valuer, treating it as unexplained investment in construction, on the basis of Approved Valuer's report. The addition made by

AO and confirmed by Ld. CIT(A) is arbitrary, baseless, illegal and not justified and is liable to be deleted.

2. *Without prejudice to ground no. 1, Ld. CIT(A) erred in confirming addition made by AO on the basis of valuation report of registered valuer obtained by DDIT(Inv.) during search as reference to registered valuer made during search was illegal and invalid. Ld. CIT(A) erred in confirming addition based on illegal valuation report. The valuation report used by AO is liable to be ignored.*

3 *The appellant reserves the right to add, amend or alter any grounds/s of appeal."*

3. The relevant facts giving rise to this appeal are that the assessee along with other group of cases were searched under section 132 of the Act on 15.02.2018. The assessments of AYs 2012-13 to 2018-19 were completed under section 153A rws 143(3) of the Act. Thereafter, the Ld. Assessing Officer ('AO') received valuation report from the Departmental Valuer with respect to the residential house of the appeal assessee. Based on the valuation report, the Ld. AO made addition of Rs.12,10,62,436/- in the relevant year i.e. AY 2018-19. Aggrieved, the assessee filed appeal before the Ld. CIT(A), who dismissed the appeal due to non-prosecution as under:

"3. The appeal was fixed for hearing on 16.03.2021, 29.06.2021, 13.08.2021, 03.09.2021, 12.10.2021, 26.11.2021, 03.03.2022, 07.07.2022, 10.11.2022, 10.08.2023, 17.07.2024 & 08.10.2025. The assessee has not submitted any reply to notices. It is quite evident from the chronology of event that despite several opportunities being granted from time to time, there has been absolutely no compliance on part of the appellant to give detailed explanation regarding grounds of appeal taken for the year under consideration. This clearly shows that the appellant is not keen to pursue the above-mentioned appeal.

Decision on merits: -

4. Ground No.1 & 2: During the assessment proceedings, the Ld. AO noted that Shri Sanjay Mittal has constructed posh and luxurious bungalow fitted with costly and luxury furniture and fixture. During the course of search action, approved valuer was called upon and got valued this bungalow. The valuer has worked out the valuation of the property at Rs.18,69,50,000/- as on 17.02.2018. But, in his statement recorded on 24.05.2018 during post search inquiry the assessee stated that amount of Rs.6,58,87,564/- has been invested on construction of said residential bungalow. Thus, there is a difference of Rs.12,10,62,436/- in cost of construction, which is treated as "unexplained investment" met out of undisclosed sources of income which is not recorded in the books of the assessee. During the course of assessment proceedings, the copy of valuation report of same residential bungalow was provided to assessee.

The assessee was asked to explain as to why the addition should not be made in to his total income on the ground of unexplained investment made on construction of residential bungalow. In response to the same, no reply was been filed by assessee, show cause notice was also issued vide dated 13.11.2019. the assessee was asked to furnish his compliance on or before 20.11.2019. But, no reply was filed by assessee on stipulated date.

The valuer has already worked out and mentioned in valuation report the total value of property as on date of valuation is Rs.18,69,50,000/-. The assessee has shown only amounting Rs.6,58,87,564/- in his books and failed to give proper explanation and documents. It is evident that the assessee has nothing to say about this investment. Therefore, an amount of Rs.12,10,62,436/- is cost of construction treated as unexplained investment from undisclosed source of income which is not recorded in the books of the assessee, hence, the amount of Rs.12,10,62,436/-was added to the total income of the assessee.

During the appeal proceedings. The appeal was fixed for hearing as under:

.....
.....

No explanation has been furnished by the appellant at this stage on the findings and conclusion of the Ld. AO. In absence of any explanation & on the basis of facts gathered and discussed by the Ld. AO, considering entire facts in the assessment order, the contention of the assessee has been found to be incorrect and unjustified. During the assessment proceedings, the Ld. AO noted that Shri Sanjay Mittal has constructed posh and luxurious bungalow fitted with

costly and luxury furniture and fixture. During the course of search action, approved valuer was called upon and got valued this bungalow. The valuer has worked out the valuation of the property at Rs.18,69,50,000/- as on 17.02.2018. But, in his statement recorded on 24.05.2018 during post search inquiry the assessee stated that amount of Rs.6,58,87,564/- has been invested on construction of said residential bungalow. Thus, there is a difference of Rs.12,10,62,436/- in cost of construction, which is treated as "unexplained investment met out of undisclosed sources of income which is not recorded in the books of the assessee. Hence, the amount of Rs.12,10,62,436/- was added to the total income of the assessee.

During the appeal proceedings, the assessee had failed to furnish any details or explanation with respect to the transaction made in his books of accounts and failed to explain the source of unrecorded transaction. I find that Ld. AO is justified in assessing the total income of the appellant as discussed above. when repeated opportunities in this regard was provided however no compliance was made by the assessee, it clearly shows that the appellant is not interested in pursuing the appeal. In these circumstances, I have no option but to confirm the addition made by the Ld. AO and dismiss the grounds of appeal of the appellant. Respectfully, following the view taken in the cases cited above, the appeal filed by the appellant deserves to be dismissed. Therefore, appeal on these grounds was dismissed."

4. Before us, Shri R.B. Doshi, CA, Ld. Authorized Representative ('AR') of the assessee drew our attention to the fact that the Ld. CIT(A) had decided the appeal *ex-parte due to non-prosecution*. Further, on merit of the case, the Ld. CIT(A) had not given the detailed justification while agreeing with the Ld. AO's finding. Non-compliance on the part of the assessee was the sole reason for dismissal of the appeal on merit also. He prayed for remanding the case back to the file of Ld. CIT(A).

5. Ms. Bharti Singh, Ld. CIT-DR, drawing our attention to various paras of the assessment order and impugned appellate order, submitted that reasonable

opportunities of being heard had been provided to the appellant assessee by the Authorities below; Ld. AO and Ld. CIT(A). However, the appellant assessee tactfully ensured noncompliance to avoid investigations. Hence, she prayed for dismissing the appeal. On our specific query, she reluctantly admitted for remanding the case back to the file of the Ld. CIT(A) for adjudication on merit.

6. We have heard both parties and have perused the materials available on the record. We have taken note of the fact that the Ld. CIT(A) has not decided the appeal after discussing the issue in detail and his reasons for agreeing with the assessment order though he/she, as per provisions of section 250(6) of the Act, is obliged to dispose of the appeal in writing with well-reasoned order on each point of determination arisen for his consideration. It is evident from the perusal of section 251(1)(a), 251(1)(b) and Explanation of section 251(2) of the Act that the CIT(A) is required to apply his/her mind to all the issues which arise from the impugned order before him/her, whether or not these issues have been raised by the assessee before him/her. On cumulative consideration of the provisions of section 250(6) of the Act read with sections 250(4), 250(5), 251(1)(a), 251(1)(b) of the Act and Explanation of section 251(2) of the Act, the CIT(A) is not empowered to dismiss the appeal for non-prosecution of appeal and is obliged to dispose of the appeal on merits. Reliance is placed on the decision of the Hon'ble Bombay High Court in case of Prem Kumar Arjun Das Luthra HUF, (2017) 291 CTR 614 (Bom.).

7. We take note of the fact that the assessee has made non-compliance consistently before the Authorities below. We find force in the submission of the Ld.

AR that the non-compliance on the part of the assessee is the sole reason for dismissal of the appeal on merit also. Considering the facts in entirety and in the interest of justice, we are not offering any comment on merit of the case. We deem it fit to set aside the impugned order and remand the matter back to the file of the Ld. CIT(A) for deciding the case afresh/denovo, in accordance with the law, after providing adequate opportunity of being heard to the assessee. We order accordingly. The appellant assessee, no doubt, shall cooperate in remitted appellate proceedings.

8. In the result, this appeal of assessee is **allowed for statistical purposes**.

Order pronounced in the open court on 19/02/2026.

Sd/-
(PARTHA SARATHI CHAUDHURY)
न्यायिक सदस्य / JUDICIAL MEMBER
रायपुर / Raipur; दिनांक Dated 19/02/2026
HKS, PS

Sd/-
(AVDHESH KUMAR MISHRA)
लेखा सदस्य / ACCOUNTANT MEMBER

आदेशकी प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. The Pr. CIT, Raipur (C.G.)
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण,
रायपुर/ DR, ITAT, Raipur
5. गार्ड फाईल / Guard file.

//True copy//

आदेशानुसार/ BY ORDER,

(Private Secretary)
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur