

**THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCH "A", HYDERABAD**

**BEFORE SMT. P. MADHAVI DEVI, JUDICIAL MEMBER  
AND SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER**

**ITA No. 1208/Hyd/2017  
Assessment Year: 2006-07**

Shakthi Constructions,  
Hyderabad.

vs. Dy. Commissioner of Income-  
tax, Circle – 11(1),  
Hyderabad.

PAN – ABEFS8747H

(Appellant)

(Respondent)

Assessee by : Shri A.V. Raghuram  
Revenue by : Shri Murthi Naik

Date of hearing : 07-02-2019  
Date of pronouncement : 15-02-2019

**ORDER**

**PER S. RIFAUR RAHMAN, A.M.:**

This appeal filed by assessee is directed against the order of CIT(A) – 7, Hyderabad, dated 07/11/2016 for AY 2006-07.

2. Brief facts of the case are that assessee firm engaged in the business of construction of house for private individuals, filed its return of income on 30/10/2006 for AY 2006-07 admitting a total income of Rs. 8,57,660/-. A survey operation u/s 133A of the Income-tax Act, 1961 (in short 'the Act') was conducted on 08/03/2007 and the case was converted into scrutiny. The AO observed that during the assessment proceedings, the AR produced books of accounts which were not supported by proper vouchers and hence, estimated the income at 10% of the gross receipts and the income was assessed at Rs. 17,80,725/-.

3. Aggrieved by the order of AO, the assessee preferred an appeal before the CIT(A).

4. The CIT(A) dismissed the appeal of the assessee by observing that though sufficient opportunities given to assessee, the assessee did not appear for any hearing after due service of notices, hence, not interested in pursuing the appeal.

5. Aggrieved by the order of CIT(A), the assessee is in appeal before us.

6. In the grounds of appeal, the assessee submitted that the CIT(A) dismissed the appeal in-limine, which is in gross violation of principles of natural justice, as he could have given proper opportunity to the assessee to represent its case.

7. Referring to the grounds of appeal, Id. AR submitted that the learned CIT(A) decided the matter ex-parte and, therefore, in the interest of justice, the matter may be restored to the file of CIT(A) for deciding various grounds of appeal on merits. The learned DR objected to the aforesaid statement of the learned AR.

7. Considered the rival submissions and perused the material on record. We are of the view that interest of justice will be served if the matter is restored to the file of first appellate authority for deciding various grounds of appeal of the assessee on merits. Accordingly, the CIT(A) is directed to afford reasonable opportunity of being heard to the assessee and thereafter decide the appeal on merits.

8. In the result, the appeal filed by the assessee is treated as allowed for statistical purposes.

**Pronounced in the open court on 15<sup>th</sup> February, 2019.**

Sd/-  
**(P. MADHAVI DEVI)**  
**JUDICIAL MEMBER**

Sd/-  
**(S. RIFAUR RAHMAN)**  
**ACCOUNTANT MEMBER**

Hyderabad, Dated: 15<sup>th</sup> February, 2019.

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Copy to:-

- 1) *Shakthi Constructions, C/o S/Shri K. Vasantkumar, AV Raghuram, P. Vinod & M. Neelima Devi, Advocates, 610 Babukhan Estate, Basheerbagh, Hyderabad – 500 001.*
- 2) *DCIT, Circle – 11(1), IT Towers, AC Guards, Masabtank, Hyderabad – 04.*
- 3) *CIT(A) – 7, Hyderabad.*
- 4) *Pr. CIT - 7, Hyd.*
- 5) *The Departmental Representative, I.T.A.T., Hyderabad.*
- 6) *Guard File*