IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD "A" BENCH: HYDERABAD

BEFORE SHRI MANJUNATHA G, ACCOUNTANT MEMBER
AND
SHRI RAVISH SOOD, JUDICIAL MEMBER

ITA.No.973/Hyd./2025
Assessment Year 2022-2023

Satya Syamala Mangamamba, S.O. Uppal, Ranga Reddy District, Telangana. PIN – 500 051. PAN CWTPS1759R	vs.	The Income Tax Officer, Ward-9(1), I.T. Towers, AC Guards, Masab Tank Hyderabad. Telangana – 500 004
(Appellant)		(Respondent)

For Assessee :	CA, K. Kulasekhar
For Revenue :	Sri Posu Babu Alli, Sr. AR

Date of Hearing :	20.08.2025
Date of Pronouncement :	22.08.2025

ORDER

PER MANJUNATHA, G.

This appeal has been filed by the assessee against the Order dated 07.03.2025 of the learned Commissioner of Income Tax (Appeals)-National Faceless Appeal Centre [in short "NFAC], Delhi, relating to assessment year 2022-2023.

2.   Brief facts of the case are that, the assessee filed her return of income on 30.09.2022 declaring loss of

Rs.23,34,734/- u/sec.139 of the Income Tax Act, 1961 [in short "the Act"]. The case of the assessee has been selected for complete scrutiny under e-assessment scheme, 2019 on the issue of large turnover, but, books of accounts not audited u/sec.44AB of the Income Tax Act, 1961. During the course of assessment proceedings, the Assessing Officer has issued notice u/sec.143(2) on 01.06.2023 and notices u/sec.142(1) of the Act on 02.06.2023, 21.06.2023, 05.02.2024 and show cause notice u/sec.144 of the Act dated 13.02.2024. Since there were no response from the assessee, the Assessing Officer passed at his best Judgment assessment order dated 09.03.2024 u/sec.144 r.w.s.144B of the Income Tax Act, 1961 and determined the total income of the assessee at Rs.1,03,20,415/-.

3. On being aggrieved by the assessment order, the assessee preferred appeal before the learned CIT(A). Before the learned CIT(A), once again the assessee neither filed any evidence, which is evident from para-4 of the order of the learned CIT(A) where the case was posted for hearing on many occasions, but, no response from the assessee.

Therefore, the learned CIT(A) dismissed the appeal of the assessee for non-prosecution.

4.   Aggrieved by the order of the learned CIT(A), the assessee is now, in appeal before the Tribunal.

5.   CA, K. Kulasekhar, Learned Counsel for the Assessee explained the reasons for non-appearance before the Authorities and as per the Counsel for the Assessee, one employee had committed fraud and due to this, the business of the assessee is severely affected. Therefore, the assessee was under severe stress and due to these reasons, the assessee could not concentrate on any issues including litigation pending before the Authorities. He submitted that, the non-appearance before the lower authorities neither intention nor for want of any undue benefit. He submitted that, although, the assessee has explained the reasons before the Assessing Officer and the learned CIT(A), the authorities below were not considered. He, therefore, submitted that, one more opportunity of hearing may please be provided to the assessee before the Assessing Officer to

substantiate her case in the interest of justice by remitting the matter back to the file of Assessing Officer.

6.   Sri Posu Babu Alli, Sr. AR for the Revenue, on the other hand, supporting the order of the Assessing Officer and the learned CIT(A) submitted that, the assessee has shown gross negligence in not responding to the notices issued by the Assessing Officer and the learned CIT(A) which is evident from the orders. He submitted that, there is a negligent on the part of the assessee in not furnishing the details when the case was posted for hearing. He submitted that, sufficient opportunities were also provided to the assessee to substantiate her case. Since the assessee did not avail the opportunities provided to put-forth her grievance along with supporting documentary evidences, the order of the learned CIT(A) is in accordance with law and, therefore, he pleaded that the order of the learned CIT(A) should be upheld.

7.   We have heard both the parties, perused the material on record and the orders of the authorities below. We find that, the Assessing Officer has passed ex-parte

assessment order, against which, the assessee carried the matter in appeal before the learned CIT(A). Before the learned CIT(A), it was the submission of the assessee that, one of her employee has committed a fraud and due to this, the business of the assessee is severely affected. Therefore, the assessee was under severe stress and, as such, could not concentrate on any issues including the income tax matters before the authorities. It was further contended that, the said non-appearance is neither intentional nor for want of any undue benefit. Although, the assessee has explained the reasons for non-appearance before the learned CIT(A), the learned CIT(A) without considering the submissions of the assessee has sustained the Order of the Assessing Officer. We find that, the learned CIT(A) ought to have consider the bonafide reasons explained by the assessee while deciding the appeal of the assessee on merits. We, therefore, deem it as a fit case to remit the issue back to the file of Assessing Officer for *de-novo* consideration. The Assessing Officer is directed to decide the issue afresh, after providing reasonable opportunity of being

heard to the assessee. Needless to say, the assessee is directed to file all relevant evidences as and when the case is posted for hearing.

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

Order pronounced in the open Court on 22.08.2025.

Sd/-   Sd/-
[RAVISH SOOD]   [MANJUNATHA G]
JUDICIAL MEMBER   ACCOUNTANT MEMBER

Hyderabad, Dated 22nd August, 2025
VBP

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1.	Satya Syamala Mangamamba, Plot No.326, Block No.4, Phase-1, BN Reddy Nagar, Cherlapally, Hindustan Cables Ltd., S.O. Uppal, Ranga Reddy District, Telangana. PIN – 500 051.
2.	The Income Tax Officer, Ward-9(1), I.T. Towers, AC Guards, Masab Tank, Hyderabad – 500 004. Telangana.
3.	The Pr. CIT, Hyderabad.
4.	The DR ITAT "A" Bench, Hyderabad.
5.	Guard File.

//By Order//

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