

आयकर अपीलीय अधिकरण, हैदराबाद पीठ  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**Hyderabad 'B' Bench, Hyderabad**

**Before Shri Vijay Pal Rao, Vice President**  
**and**  
**Shri Manjunatha G., Accountant Member**

आ.अपी.सं /**ITA No.760/Hyd/2025**  
(निर्धारण वर्ष /Assessment Year: 2018-19)

IVRCL Indore Gujarat Tollways Limited Hyderabad PAN : AACCI2461C	Vs.	Deputy Commissioner of Income Tax Circle-2(1) Hyderabad
(Appellant)		(Respondent)
निर्धारिती द्वारा /Assessee by:		Ms.Manju Latha Boob, CA, AR
राजस्व द्वारा /Revenue by:		Dr.Narendra Kumar Naik, CIT-DR
सुनवाई की तारीख /Date of Hearing:		02/09/2025
घोषणा की तारीख / Date of Pronouncement:		04/09/2025

आदेश / **ORDER**

**PER VIJAY PAL RAO, VICE PRESIDENT:**

This appeal filed by the assessee is directed against the order dated 04.03.2025 of the Commissioner of Income Tax (Appeals) ["Ld.CIT(A)"], National Faceless Appeal Centre ("NFAC"), Delhi for the A.Y.2018-19.

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

*(i) The order of the CIT(A) is in gross violation of the provisions of law and hence is bad in law.*

*(ii) The CIT(A) has erred in upholding the order of the Assessing Officer and dismissing the appeal.*

*(iii) The CIT(A) has erred in upholding the assessment u/s 144.*

*(iv) Any other ground that may be considered at the time of hearing.*

3. The Ld.AR of the assessee has submitted that the assessee is a subsidiary of IVRCL Ltd., which was facing the proceedings under bankruptcy and therefore, the assessee could not participate in the proceedings before the AO as well as before the CIT(A). The Ld.AR has further submitted that due to the financial crisis faced by the appellant company, the matters before the AO as well as the CIT(A) were not properly represented, which has resulted in an ex-parte order u/s 144 of the Income Tax Act, 1961 (“the Act”) by the AO as well as an ex-parte order for non-prosecution by the CIT(A) were passed. The Ld.AR has pleaded that the assessee may be granted one more opportunity to present its case before the AO to file necessary details and audited financial statements. She has pointed out that due to financial crisis, the books of accounts of the assessee were audited belatedly and therefore, the correct revenue as per the audited financial statements were not available before the AO as

well as the CIT(A), which has resulted in excessive addition made by the AO under the presumptive basis on a higher revenue.

4. On the other hand, the Ld.DR has submitted that the assessee has shown gross negligence towards the tax matters, as there was no representation either before the AO or before the CIT(A), despite several opportunities granted by them. The Ld.DR has also fairly admitted that the AO has estimated the income of the assessee as per the provisions of section 44AD of the Act, while passing the best judgement assessment u/s 144 of the Act and the CIT(A) has also dismissed the appeal of the assessee for non-prosecution.

5. We have considered the rival submissions as well as the material available on record. In the return of income, the assessee declared loss of Rs.46,12,095/-. The case of the assessee was selected for scrutiny due to non-filing of the audit report. The AO issued notices u/s 143(1) as well as u/s 142(1) of the Act, but there was no response on behalf of the assessee to these notices. In the absence of any documentary evidence or details produced by the assessee, the AO questioned the correctness of the books of accounts, as no tax audit report was filed by the assessee. Accordingly, the AO invoked the provisions of section 145(3) of the Act and rejected the books of accounts and then estimated the income of the assessee by adopting the net profit @8% on the gross receipts / revenue. Hence, the AO has assessed the income of the assessee at Rs.26,53,30,515/-. The assessee challenged

the assessment order before the CIT(A), however, there was no representation / participation on behalf of the assessee in the proceedings before the CIT(A) despite several notices. The assessee has now explained the reasons for non-participation in the proceedings before the authorities below, as due to the financial crisis and the parent company of the assessee was facing the insolvency and bankruptcy proceedings. We further note that the CIT(A) has not decided the issue on merits, but the appeal of the assessee was dismissed for non-prosecution. Accordingly, in the facts and circumstances of the case and in the interest of justice, we grant one more opportunity to the assessee to present its case before the AO and to file necessary details for verification and examination of the AO. Accordingly, the impugned order of the CIT(A) is set aside and the matter is remanded to the record of the AO for fresh adjudication in the above terms.

6. In the result, appeal of the assessee is allowed for statistical purpose.

Order pronounced in the Open Court on 4<sup>th</sup> September, 2025.

**Sd/-**

**Sd/-**

<b>(MANJUNATHA G.) ACCOUNTANT MEMBER</b>	<b>(VIJAY PAL RAO) VICE PRESIDENT</b>
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Hyderabad,

Dated 04 September, 2025

**L.Rama, SPS**

**ITA No.760/Hyd/2025**  
**IVRCL Indore Gujarat Tollways Limited** 

Copy to:

S.No	Addresses
1	M/s IVRCL Indore Gujarat Tollways Limited, 8-2-350/A/24/1-B2, Panchavati Colony, Near Southern Spice Hotel, Banjara Hills, Hyderabad
2	The Deputy Commissioner of Income Tax, Circle-2(1), Signature Towers, Hyderabad
4	The Pr.Commissioner of Income Tax, Hyderabad
4	The DR, ITAT, Hyderabad Benches
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