

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

**श्री रविश सूद, न्यायिक सदस्य एवं**  
**श्री मधुसूदन सावडिया, लेखा सदस्य के समक्ष ।**  
**BEFORE SHRI RAVISH SOOD, JUDICIAL MEMBER AND**  
**SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER**

आ.अपी.सं / **ITA No.1068/Hyd/2025**  
(निर्धारण वर्ष / Assessment Year: 2013-14)

Shri Sudhakar Akutota, Warangal. PAN: ABAPA0044M	<b>Vs.</b>	Income Tax Officer, Ward-1, Warangal.
(Appellant)		(Respondent)
निर्धारिती द्वारा / Assessee by:	Shri A. V. Raghuram, Advocate.	
राजस्व द्वारा / Revenue by:	Shri Gurpreet Singh, SR-DR	
सुनवाई की तारीख / Date of hearing:	04/09/2025	
घोषणा की तारीख / Pronouncement:	10/09/2025	

**आदेश/ORDER**

**PER MADHUSUDAN SAWDIA, A.M.:**

This appeal is filed by Shri Sudhakar Akutota (“the assessee”), feeling aggrieved by the order passed by the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi (“Ld. CIT(A)”), dated 05.06.2024 for the A.Y. 2013-14.

2. At the outset, it is noted that there is a delay of 296 days in filing the present appeal before the Tribunal. The assessee has filed a petition for condonation of delay accompanied by an affidavit explaining the reasons for the delay. The Learned Authorised

Representative (“Ld. AR”) submitted that the delay was neither deliberate nor intentional but occurred due to circumstances beyond the control of the assessee. He drew our attention to the affidavit wherein it was explained that the assessee is not properly educated, was earlier in judicial custody and thereafter shifted to Hyderabad for family reasons. It was submitted that the appeal before the Ld. CIT(A) was dismissed ex parte on 05.06.2024 without adequate service of notices and the assessee came to know about the impugned order only on 03.06.2025 upon receiving his counsel’s communication dated 30.05.2025. Immediately thereafter, the assessee approached his counsel, and the present appeal was filed on 23.06.2025.

3. The Ld. AR further submitted that in column No.17 of Form No.35, the assessee had clearly given his address for service of notices. However, no notices were served by the Ld. CIT(A) on such address. He argued that the assessee thus had reasonable cause for not attending before the Ld. CIT(A) and for the consequent delay in approaching the Tribunal. It was also contended that the assessee has a strong case on merits because the Ld. AO had treated the entire turnover as income, without applying any reasonable net profit rate as consistently held in similar cases by the Tribunal. Therefore, it was pleaded that the delay be condoned and the appeal may be admitted for hearing on merits.

4. Per contra, the Learned Departmental Representative (“Ld. DR”), strongly opposed the condonation of delay. He submitted that the appeal proceedings before the Ld. CIT(A) were conducted online, and therefore, no physical notices could have been sent to the assessee. He argued that in the faceless regime, notices are served electronically through the income tax portal and the assessee had an obligation to regularly check the portal. According to the Ld. DR, the assessee cannot take shelter under the plea of non-receipt of notices at his physical address when the law itself prescribes electronic mode of communication. He therefore contended that sufficient cause has not been shown, and the petition for condonation of delay deserves to be rejected.

5. We have considered the rival submissions and perused the material available on record including the affidavit filed by the assessee. On a careful perusal, we note that the assessee has explained the reasons for the delay in a plausible manner. It is an admitted fact that in column No.17 of Form No.35, the assessee had given his specific address for service of notices. This column is specifically provided in Form No.35 to enable the assessee to exercise his option regarding the address at which notices may be served. Once such option has been exercised, the notices ought to have been served at that address in addition to any electronic mode prescribed. In the present case, the Ld. CIT(A) did not serve any notices on the address so specified in column No.17 of Form No.35. The plea of the Revenue that the proceedings were online does not absolve the Ld.

CIT(A) of the statutory requirement to serve notices at the address opted by the assessee. This strengthens the explanation given by the assessee for non-appearance before the Ld. CIT(A) and also supports the bona fides in filing the delayed appeal.

6. The assessee has also substantiated his claim that he came to know of the impugned order only on 03.06.2025, after which he acted with promptness in filing the present appeal on 23.06.2025. Considering the overall circumstances, we are satisfied that the delay was neither wilful nor deliberate but caused due to reasonable cause. In this regard, we draw support from the decision of the Hon'ble Supreme Court, in the case of Vidya Shankar Jaiswal vs. The Income Tax Officer, Ward-2, Ambikapur in Special Leave Petition (Civil) Nos. 26310-26311/2024, dated 31st January, 2025, wherein the Hon'ble Supreme Court has held that a justice-oriented and liberal approach should be taken while dealing with the application filed by an appellant seeking condonation of the delay in filing of the appeal. Therefore, in view of the above facts and the ratio laid down by the Hon'ble Supreme Court, we condone the delay of 296 days in filing the appeal. The appeal is admitted for adjudication on merits.

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

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1. On the facts and in the circumstances of the case, the order of the Id. CIT(A) is erroneous and unsustainable in law apart from being passed in violation of principles of natural justice. The Id. CIT(A) failed to appreciate that proper notices were not served on the appellant as required under section 282 of the Act r.w. rule 127 of the Rules, and therefore Appellant could not put forth his case.
2. Without prejudice to the above, the Id. CIT(A) erred in sustaining the addition made by the AO of Rs.1,65,68,373 as unexplained money u/s.69A of the Act.
3. The Id. CIT(A) erred in sustaining the addition of Rs.2,20,800 and Rs.5,010, as unexplained money u/s.69A of the Act, which are the rent and contract receipts received by the appellant.

**(Tax Effect: Rs.50,14,302)**

4. Any other ground that may be urged at the time of hearing.

8. The brief facts of the case are that, the assessee is an individual who did not file any return of income for assessment year 2013–14 under section 139 of the Act. Accordingly, the case of the assessee was reopened under section 147 of the Act, and notice under section 148 of the Act was issued to the assessee on 28.03.2021. The assessee did not file any return of income in response to the said notice. The assessee also failed to respond to subsequent notices issued by the Learned Assessing Officer (“Ld. AO”). Consequently, the Ld. AO proceeded to complete the assessment on best judgment basis. During the course of assessment, the Ld. AO noticed that there were total credits of Rs.1,65,68,373/- in the bank accounts of the assessee, which remained unexplained. The Ld. AO accordingly treated the said amount as unexplained money under section 69A of the Act. Further, the Ld. AO also noted that the assessee was in receipt of rental income of Rs.2,20,800/- and contract receipts of Rs.5,010/- during the

year under consideration. Since these amounts were also not explained, the same were brought to tax as unexplained money under section 69A of the Act. Accordingly, the Ld. AO completed the assessment under section 147 read with section 144 and section 144B of the Act on 24.03.2022, making a total addition of Rs.1,67,94,183/- under section 69A of the Act.

9. Aggrieved with the order of Ld. AO, the assessee filed an appeal before the Ld. CIT(A). However, the assessee did not respond to the notices issued by the Ld. CIT(A), and consequently, the appeal was dismissed ex parte.

10. Aggrieved with the order of Ld. CIT(A), the assessee is now in appeal before this Tribunal. The Ld. AR submitted that the assessee could not file submissions before the Ld. CIT(A) due to reasons already explained in the affidavit filed in connection with condonation of delay. It was submitted that the non-appearance before the lower authorities was not deliberate but was on account of unavoidable circumstances. The Ld. AR contended that since the assessment was framed ex parte and the appeal was also dismissed ex parte, the assessee has not been provided with adequate opportunity to substantiate his claim on merits. Therefore, he submitted that, in the interest of justice, the matter may be remanded back to the file of the Ld. AO with a direction to afford one more opportunity to the assessee to submit the necessary evidence.

11. Per contra, the Ld. DR opposed the request for remand. He submitted that sufficient opportunities had already been granted by both the Ld. AO as well as the Ld. CIT(A), but the assessee failed to avail the same. According to the Ld. DR, repeated non-compliance on the part of the assessee shows negligence, and therefore, no further opportunity is warranted.

12. We have heard the rival submissions and perused the material available on record. It is an admitted position that both the assessment as well as the first appellate order were passed ex parte due to non-compliance by the assessee. At the same time, the assessee has explained the circumstances in the affidavit filed in support of condonation petition and such explanation has already been accepted by us while condoning the delay in filing the present appeal. In our considered view, since the additions made by the Ld. AO are substantial and were made without the assessee furnishing any explanation, the principles of natural justice warrant that the assessee be granted one final opportunity to substantiate his claim. The assessee has also expressed willingness to fully cooperate in the proceedings. Accordingly, in the interest of justice, we set aside the impugned order of the Ld. CIT(A) and restore the matter to the file of the Ld. AO for fresh adjudication after affording due opportunity to the assessee. The assessee is directed to extend full cooperation and file the necessary details before the Ld. AO.

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

**Order pronounced in the open Court on 10th Sept., 2025.**

**Sd/-**

**(RAVISH SOOD)**

JUDICIAL MEMBER

Hyderabad.

Dated: 10.09.2025.

\* Reddy gp

**Sd/-**

**(MADHUSUDAN SAWDIA)**

ACCOUNTANT MEMBER

**Copy of the Order forwarded to :**

1.	Shri Sudhakar Akutota, 12-3-132, Yellam Bazar, Warangal-506002
2.	The ITO, Ward-1, Warangal.
3.	Pr.CIT, Hyderabad.
4.	DR, ITAT, Hyderabad.
5.	Guard file.

BY ORDER,