

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ‘ SM-A ‘ Bench, Hyderabad

Before Shri Vijay Pal Rao, Vice-President
A N D
Shri Madhusudan Sawdia, Accountant Member

आ.अपी.सं / **ITA Nos.377 & 404/Hyd/2025**
(निर्धारण वर्ष/Assessment Years: 2009-10 & 2017-18)

Shri Gnanasekaran Manikandan, Hyderabad PAN:AEQPM0159J (Appellant)	Vs.	Income Tax Officer Ward 7 (1) Hyderabad (Respondent)
निर्धारिती द्वारा/Assessee by:		Shri B Yadagiri, CA
राजस्व द्वारा/Revenue by:		Ms. Sankari Pandi, P, Sr.AR
सुनवाई की तारीख/Date of hearing:	08/09/2025	
घोषणा की तारीख/Pronouncement:	17/09/2025	

आदेश/ORDER

Per Vijay Pal Rao, Vice President

These 2 appeals by the assessee are directed against the separate orders, both dated 08/01/2025 of the learned CIT (A)-NFAC Delhi, for the A.Ys. 2009-10 & 2017-18 respectively.

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

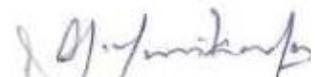
ITA No. 377/Hyd/2025 – A.Y 2009-10

The Appellant, **Gnanasekaran Manikandan**, respectfully submits this appeal against the order of the **Commissioner of Income Tax (Appeals)** dated **08.01.2025**, pertaining to **Assessment Year 2009-10**, on the following grounds which are without prejudice to and independent of the others. The allowance or rejection of one ground shall not affect the consideration of the others:

I. ON THE ISSUE OF LIMITATION AND CONDONATION OF DELAY

Chronological list of events showing no fault on appellant but department's lapses:

Date	Event
18.07.2009	Filed ITR-2 electronically, declaring salary income of Rs. 8,93,294 and house property loss of Rs. 1,50,000.
16.10.2014	Received first-ever physical communication from the Income Tax Department regarding outstanding demand.
20.10.2014	Replied to the Department in writing, providing Form 16, ITR-V, and proof of tax payments. No response was received.
21.08.2022	Demand communication first appeared in the e-filing portal (even though earlier notices were never sent properly).
07.09.2022	Received a phone call from the Department regarding tax demand. Sought basis and details, but no response was received.
04.02.2023	Filed grievance on e-filing portal requesting correction of demand. No response received.
05.08.2023	Filed another grievance; IT Department stated they were transferring PAN to Hyderabad jurisdiction.



22.12.2023	Submitted a physical letter to Income Tax Officer, Ward-12, Hyderabad, after transfer from Bangalore, seeking rectification.
06.03.2024	First grievance was closed by the Department after 13 months without any response.
29.05.2024	Submitted another letter to Assessing Officer, Ward-7(1), Hyderabad.
03.10.2024	Received notice from AO demanding payment of outstanding tax, despite multiple unanswered grievances.
13.10.2024	Replied with detailed explanation, requesting rectification and withdrawal of demand.
27.10.2024	Department issued another letter u/s 226 demanding payment, disregarding appellant's response.
06.11.2024	Filed appeal before CIT(A) with condonation request and detailed reasons for delay.
02.01.2025	CIT(A) issued deficiency notice stating delay in appeal filing. Responded with a condonation application.
08.01.2025	CIT(A) dismissed appeal on grounds of limitation, without considering facts and merits.

1. The **Ld. CIT(A)** erred in law and on facts in dismissing the appeal solely on the ground of limitation without properly appreciating the genuine circumstances and sufficient reasons leading to the delay in filing the appeal and the detailed explanation provided in the condonation application.
2. The **Ld. CIT(A)** failed to consider that the appellant was completely unaware of any demand till **16th October 2014** and the contents of the intimation u/s **143(1)** until **February 2023**, as the **Income Tax Department** did not communicate the same in time and through proper channels.
3. The **first physical communication** regarding the demand was received only on **16.10.2014**, nearly **five years after the return was filed**, to which



- the appellant promptly responded on **20.10.2014**. No further communication was received from the Department for **eight years**, leading the appellant to reasonably believe that the matter was resolved.
4. The **intimation u/s 143(1)** was never properly served on the appellant, as evidenced by the **Department's own records**, which explicitly shown that the communication was not sent **"by SMS, Email, or Speed Post"** (Annexure-4).
 5. The **contention of CIT(A)** that the appellant could have checked the demand and taken steps earlier is **factually incorrect**, as the demand **first appeared on the IT e-filing portal only on 21.08.2022** (Annexure-3). Moreover, **no intimation u/s 143(1) was available on the portal until August 2023**. Despite repeated requests since 2014, no copy of the intimation was ever served or provided along with the demand notice.
 6. Upon discovering the intimation in **2023**, the appellant took **immediate and diligent action** by filing **multiple grievances**, submitting **representations to various authorities**, and consistently following up, demonstrating **good faith and absence of negligence**.
 7. The **Ld. CIT(A)** failed to appreciate the well-established legal principle that **limitation laws exist to ensure timely action but should not be applied rigidly where genuine hardship and sufficient reason exists, particularly when the delay is attributable to the actions or omissions of the Revenue**.

II. ERRONEOUS ADDITIONS DUE TO SOFTWARE AND PROCESSING ERRORS

1. The **Ld. CIT(A)** erred in not adjudicating the merits of the case despite overwhelming evidence that the demand arose due to **technical errors in**



- the ITR Form software, which incorrectly duplicated the salary income under **capital gains** and **income from other sources**.
2. The appellant's **salary income of Rs. 8,93,294**, which was correctly declared under **Schedule S**, was **automatically duplicated** in **Schedule CG (Capital Gains)** and **Schedule OS (Other Sources)** without any actual entry by the appellant, leading to an unjustified tax demand.
 3. The Ld. CIT(A) failed to appreciate that the **internal inconsistencies within the ITR form itself** (particularly erroneously auto populating certain values in other data entry and non-entry fields) clearly establish that these were software errors rather than deliberate declarations by the appellant.
 4. The Ld. CIT(A) erred in not considering that the appellant had **no statutory means to rectify these errors** after the time limit for revising the return expired, particularly when **the errors were discovered much later due to lack of proper communication from the Department**.

III. FAILURE TO ADJUST ARITHMETICAL AND EVIDENT ERRORS UNDER SECTION 143(1)

1. The **Learned Assessing Officer (AO)** erred in issuing an intimation under **Section 143(1)** without making the **necessary adjustments for arithmetical errors**, as mandated under **Section 143(1)(a)(i)** of the Income Tax Act, 1961. Section 143 reads as —

(1) Where a return has been made under section 139, or in response to a notice under sub-section (1) of section 142, such return shall be processed in the following manner, namely:—

(a) the total income or loss shall be computed after making the following adjustments, namely:—

(i) any arithmetical error in the return; or



(ii) an incorrect claim, if such incorrect claim is apparent from any information in the return;

(d) an intimation shall be prepared or generated and sent to the assessee specifying the sum determined to be payable by, or the amount of refund due to, the assessee under clause (c);

2. The AO failed to **rectify system-generated duplications** of salary income under multiple heads, which constitutes an **apparent mistake on record**.
3. The **incorrect reflection of salary income under Capital Gains and Other Sources** was a **computational error**, which the AO was **duty-bound to rectify before issuing an intimation**.

IV. VIOLATION OF PRINCIPLES OF NATURAL JUSTICE & PROCEDURAL LAPSES

1. The **Ld. CIT(A)** erred in dismissing the appeal without providing a **fair opportunity of hearing** and without properly considering the **appellant's submissions and documentary evidence**.
2. The Department failed to **respond substantively** to any of the appellant's **grievances and representations filed between 2014 and 2024**, depriving the appellant of a **reasonable chance to resolve the matter administratively**.
3. The Department's **failure to properly communicate the intimation order in a timely manner**, despite having the appellant's **correct postal address and email ID**, constitutes a **serious procedural lapse**, prejudicing the appellant's right to timely appeal.



4. The **non-service of intimation u/s 143(1)** is a **fundamental violation of natural justice**, as an intimation must be properly communicated to be legally enforceable.
5. **Judicial Precedents Supporting the Right to a Fair Hearing:** The Hon'ble Supreme Court in **Collector, Land Acquisition, Anantnag & Anr. v. Mst. Katiji & Ors. [1987] 2 SCR 387** categorically held that courts and tribunals should adopt a **liberal approach in procedural matters**, particularly where a litigant is unable to act due to circumstances **beyond their control**. The Supreme Court observed:
"When substantial justice and technical considerations are pitted against each other, cause of substantial justice deserves to be preferred."
6. Similarly, in **Balaji Steel Re-Rolling Mills v. Commissioner of Central Excise & Customs (2014) 272 ELT 417 (SC)**, the Supreme Court held:
"We are of the considered opinion that the Tribunal could not have dismissed the appeal filed by the appellant for want of prosecution and it ought to have decided the appeal on merits even if the appellant or its counsel was not present when the appeal was taken up for hearing."
7. The above precedents reinforce that the **CIT(A) should have adjudicated the matter on merits rather than dismissing it on technical grounds**, especially when the **delay was due to the Department's failure in properly serving the intimation**.

V. EXCESSIVE TAX DEMAND, INTEREST, AND PENALTY

1. The **Ld. CIT(A)** erred in upholding an **excessive and unjustified tax demand, interest, and penalties**, which arose due to **technical errors beyond the appellant's control**.



2. The **interest and penalties levied are not sustainable** since the demand itself was **erroneously generated due to software issues**, not due to any **default, concealment, or misrepresentation by the appellant**.
3. The Department's **failure to act promptly for over a decade** before raising recovery proceedings reinforces that the **demand was never legally pursued earlier due to its incorrectness**.

In view of the foregoing, the Appellant **prays for the following reliefs:**

1. **Condonation of delay** in filing the appeal, considering the genuine hardship and the Department's failure to serve the intimation properly.
2. **Quashing of the order passed by the CIT(A) and directing the AO to delete the erroneous demand**, as it is based on technical errors and software glitches, not on factual dispute like actual income suppression or underreporting by the appellant.
3. **Quashing of interest and penalty levied** on the erroneous tax demand, as there was **no fault or negligence** on the part of the appellant.
4. **Any other relief that the Hon'ble ITAT may deem fit in the interest of justice and equity**.
5. Permit to **crave leave to add, modify, delete, or alter any or all the grounds of appeal at the time of hearing, if necessary, in the interest of justice**.

The appellant remains at the disposal of the Hon'ble Tribunal to provide any additional clarification or evidence as may be required.

Signature

(Authorized representative)

CA Rajesham Bandari /

CA Yadagiri Bhoopathi

Partner(s), Bandari and Associates, Chartered Accountants



A handwritten signature in black ink, appearing to read 'Gnanasekaran Manikandan'.

Signature

(Appellant)

Gnanasekaran Manikandan

ITA No.404/Hyd/2025 – A.Y 2017-18

The Appellant, **Gnanasekaran Manikandan**, respectfully submits this appeal against the order of the **Commissioner of Income Tax (Appeals)** dated **08.01.2025**, pertaining to **Assessment Year 2017-18**, on the following grounds which are without prejudice to and independent of the others. The allowance or rejection of one ground shall not affect the consideration of the others:

1. DELAY IN FILING APPEAL DUE TO GENUINE AND BONAFIDE REASONS

The Learned Commissioner of Income Tax (Appeals) [CIT(A)] erred in dismissing the appeal on the ground of **delay in filing** without considering the **bona fide reasons** provided by the appellant. The delay was neither intentional nor due to negligence but arose due to **lack of awareness** about the demand raised and a genuine belief that the issue could be resolved through rectification proceedings.

2. RELIANCE ON SUPREME COURT JUDGMENT IN COLLECTOR, LAND ACQUISITION, ANANTNAG & ANR. V. MST. KATIJI & ORS.

The Hon'ble Supreme Court in **Collector, Land Acquisition, Anantnag & Anr. v. Mst. Katiji & Ors. (1987)** has held that the expression "**sufficient cause**" should be interpreted liberally to advance substantial justice. The Court emphasized that:

- **A litigant does not stand to benefit by lodging an appeal late.**

- **Refusing to condone the delay can result in a meritorious case being rejected at the threshold, thereby defeating the cause of justice.**
- **The judiciary is respected not for its ability to reject cases on technical grounds, but for its ability to do justice.**

In light of this landmark judgment, the CIT(A) ought to have condoned the delay and adjudicated the appeal on merits instead of dismissing it solely on procedural grounds.

3. FAILURE TO APPLY THE PRINCIPLES OF NATURAL JUSTICE

The CIT(A) failed to appreciate that the appellant had a **valid and legally admissible claim** regarding the omitted exemptions under **Section 10** of the Income Tax Act. Dismissing the appeal on a mere technicality amounts to a **denial of natural justice**, especially when there was no malafide intent on the part of the appellant.

4. PRECEDENT OF GRANTING FRESH HEARING IN ITAT CHENNAI CASE

In a similar case before the **Income Tax Appellate Tribunal (ITAT), Chennai (ITA No. 2455/Chny/2024, dated 09-12-2024)**, a fresh hearing was granted despite procedural lapses by the appellant. The ITAT observed that when **substantial justice and technical considerations** are pitted against each other, the cause of justice must prevail. Applying the same principle, the appellant's case deserved consideration on merits.

5. NO PRESUMPTION OF MALAFIDE INTENT OR NEGLIGENCE

It is a well-settled legal principle that **delay does not automatically imply negligence or lack of due diligence**. The appellant was under a bona fide belief that rectification was the appropriate course of action and was not aware that an appeal before CIT(A) was required. The delay was thus purely **procedural and unintentional**.

6. TRIBUNAL'S POWER TO CONDONE DELAY IN THE INTEREST OF JUSTICE

It is well established that appellate authorities have **wide discretionary powers** to condone delays in the interest of justice. The failure of the CIT(A) to exercise this discretion judiciously and to mechanically reject the appeal amounts to a **miscarriage of justice**.

7. EXCESSIVE TAX DEMAND, INTEREST, AND PENALTY

The Ld. CIT(A) erred in upholding an **unjustified tax demand, interest, and penalties**, which arose due to omission of eligible exemptions under section 10.

The **interest and penalties levied are not sustainable** since the demand itself was **due to non-consideration of exemptions under section 10**, not due to any **default, concealment, or misrepresentation by the appellant**.

In view of the foregoing, the Appellant **prays for the following reliefs:**

1. The **delay in filing the appeal** be condoned, considering the genuine and bonafide reasons provided.
2. The **order of CIT(A) dismissing the appeal solely on the ground of delay** be set aside.
3. The case be remanded back for **adjudication on merits**.
4. Any other relief as deemed fit by the Hon'ble Tribunal be granted in the interest of justice.
5. Permit to **crave leave to add, modify, delete, or alter any or all the grounds of appeal at the time of hearing, if necessary, in the interest of justice**.

The appellant remains at the disposal of the Hon'ble Tribunal to provide any additional clarification or evidence as may be required.

ITA No. 377/Hyd/2025 – A.Y 2009-10

3. The assessee is an individual and deriving salary income from M/s. Cushman & Wakefield India Pvt. Ltd. The assessee has filed his return of income for the A.Y 2009-10 electronically on 18/07/2009 declaring income from salary at Rs.8,93,294/- and loss from house property at Rs.1,50,000/-.The return of income was processed u/s 143(1) of the Act by CPC on 11/07/2010 at a total income of Rs.43,66,470/-. Against the said order of the CPC, the assessee filed an appeal before the learned CIT (A) on 06/11/2024 i.e. after a delay of almost 14 years. Though the assessee has explained the cause of the delay before the learned CIT (A), however, the learned CIT (A) declined to

condone the delay of 5201 days in filing the appeal and dismissed the same in limine without going into the merits of the case.

4. Before the Tribunal, the learned Counsel for the assessee has submitted that while processing the return of income, the salary income of the assessee has been added thrice under various heads including income from capital gain and other sources which has resulted the total income assessed at Rs.43,66,470/- as against the salary income declared by the assessee at Rs.8,93,294/-. The learned Counsel for the assessee has submitted that due to system bug and glitches in the Portal of the Department, the salary income has been shown as short term capital gain and income from other sources as well as interest income and rental income. The assessee was never served with the said intimation issued u/s 143(1) of the Act. The learned Counsel for the assessee has filed the petition for condonation of delay in filing the appeal before the learned CIT (A) and also filed the affidavit of the assessee to explain the reasons for the delay in filing the appeal. Thus, he has submitted that the assessee being an individual and salaried person was completely dependent on the Tax Consultant in the matter of income tax and therefore, in the absence of service of the intimation u/s 143(1) of the Act, the assessee was not aware about the adjustment/ addition made by the CPC in the total income of the assessee. He has submitted that non-deciding the appeal of the assessee on merits by the learned CIT (A) has resulted a gross injustice as non-existing

income has been assessed in the hand of the assessee. He has referred to the reasons explained by the assessee and submitted that the intimation u/s 143(1) of the Act was not available at that point of time in online e-filing portal and no communication in this regard was also sent to the assessee. The learned Counsel for the assessee has pointed out that the screenshot of the proof of the said intimation u/s 143(1) shows not sent by SMS/Email or speed post. The assessee has duly responded to the letters issued by the Department regarding the demand and explained that the entire income was already declared in the return of income and therefore, once the assessee paid the due tax at the time of filing the return of income and also in the form of TDS deducted by the Employer on monthly basis, then the demand raised by the Department was not justified. After the initial correspondence in the year 2014, there was no further correspondence from the Department up to 07/09/2022 when the assessee received a phone call from the Department regarding an outstanding tax demand which was also replied by the assessee. Only in the month of February, 2023, the assessee found that the intimation u/s 143(1) of the Act is available on e-filing portal where it is assessed capital gain of Rs.8,93,294/- and income from other sources of Rs.26,79,882/-. The learned Counsel for the assessee has submitted that the assessment of said income is also not matching with Form 26AS showing the actual income received by the assessee during the year and therefore, the arbitrary additions made by the CPC while processing the return has resulted gross

injustice. The assessee filed repeated replies and representations to the Assessing Officer for rectification of this mistake. However, nothing was done and thereafter, finally the assessee filed the appeal before the learned CIT (A). Thus, the learned Counsel for the assessee has submitted that the delay in filing the appeal before the learned CIT (A) may be condoned and the appeal of the assessee be admitted for adjudication on merits.

5. On the other hand, the learned DR has vehemently opposed to the condonation of delay in filing the appeal before the learned CIT (A) and submitted that it is a case of inordinate delay of 14 years/5201 days. The learned DR has also filed a report of the Assessing Officer regarding intimation issued to the assessee well within the time as prescribed and therefore, the assessee has failed to explain a reasonable cause for such an inordinate delay in filing the appeal.

6. We have considered the rival contentions as well as the relevant material available on record. The assessee is aggrieved by the impugned order of the learned CIT (A) whereby the appeal of the assessee was dismissed as not maintainable due to the reason that there was a delay of 5201 days in filing the appeal. The assessee has explained the cause of delay that prior to the month of February 2023, the assessee was not having the intimation u/s 143(1) of the Act, dated 11/07/2010. The assessee has also filed a

petition for condonation of delay as well as affidavit of the assessee which reads as under:



తెలంగాణ తెలంగాణ TELANGANA

BR 291047

SA-8

Tran Id: 250522114331976192
Date: 22 MAY 2025, 11:45 AM
Purchased By:
MANIKANDAN GNANASEKARAN
S/o VALLAGURU GNANASEKARAN
R/o P.Y.D
For Whom
** SELF **

S. ANJAMMA
LICENSED STAMP VENDOR
Lic. No. 9/94/R
Ren.No. 16-07-03/2024
H.NO.3-5-948/11, GANDHI
KUTEER, NARAYANAGUDA,
HYDERABAD-29
Ph 9398802862

AFFIDAVIT FOR CONDONATION OF DELAY

I, Gnanasekaran Manikandan, son of Vallaguru Gnanasekaran, aged about 48 years, residing at Flat No.1202, B Block, Princeton Block, Aditya Empress Tower, Behind Passport Office, Shaikpet, Golconda, Hyderabad – 500008, having PAN: AEQPM0159J, do hereby solemnly affirm and state on oath as under:

1. That I am the appellant in the Appeal No. ITA 377/HYD/2025 filed before the Hon'ble Income Tax Appellate Tribunal, Hyderabad Bench, against the order dated 08.01.2025 passed by the Learned Commissioner of Income Tax (Appeals), Addl/JCIT(A)-8, Mumbai, for the Assessment Year 2009-10. I am fully conversant with the facts of the case and competent to depose this affidavit. That there has been a delay in filing the appeal before Addl.CIT(A), and I am filing this affidavit seeking condonation of the said



(Handwritten signature)

delay, which has occurred solely due to circumstances beyond my control, without any mala fide intention or negligence.

2. That I had filed my Income Tax Return for AY 2009-10 electronically on 18.07.2009 and had also submitted the signed ITR-V to the CPC, Bengaluru. The entire tax due was paid through TDS by my employer, and no refund was claimed.
3. That the first ever communication I received from the Income Tax Department regarding AY 2009-10 was on 16.10.2014 (letter dated 09.10.2014), claiming an outstanding demand of ₹15,27,800 and no other details of the demand were available in said letter. I promptly replied on 20.10.2014 enclosing Form 16 and ITR-V. No further communication was received thereafter, **leading me to reasonably believe that the matter stood resolved.**
4. That I did not receive any valid notice or intimation under Section 143(1) of the Income Tax Act, 1961, at any point in time either through post, email, SMS or via the e-filing portal. This fact is corroborated by the Income Tax Department's own portal, which confirms "NOT SENT" status for the said intimation.
5. That I became aware of alleged demand only in September 2022 and I am clueless about the basis of the demand as no notice or order was issued in this regard before confirming a demand. Then I initiated a series of grievance filings, communications, and follow-ups with various Income Tax offices, and finally filed an appeal before the CIT(A) on 06.11.2024 after consulting a professional.



[Handwritten Signature]

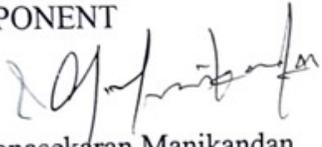
6. That the delay in filing the said appeal and consequently the present appeal is neither deliberate nor due to negligence but is attributable solely to the non-service of statutory notices/intimations by the Department, miscommunication, and technical/systemic lapses beyond my control.
7. That I was also unaware of the procedural and legal remedies available to me at the relevant time and was under a bonafide belief that since the error was purely technical and originated from the Department's ITR processing system, and no mistake was committed on my part, the same would be rectified upon submission of a letter along with supporting documents.
8. That even the CIT(A) dismissed my appeal solely on the ground of limitation without appreciating these genuine difficulties and despite my detailed representation for condonation of delay filed on 02.01.2025.
9. That the appeal raises substantial and genuine issues on merit, particularly that the demand arose due to auto-populated duplications of salary income in the ITR software under capital gains and income from other sources, which I had neither declared nor intended to declare.
10. That if the delay is not condoned, I will suffer irreparable loss and injury despite having acted diligently and in good faith at every stage. The delay is not intentional or wilful but occurred due to bonafide and unavoidable circumstances.
11. That I respectfully pray that the Hon'ble Tribunal may be pleased to condone the delay in filing the appeal before Ld. CIT(A) and consequently the present appeal, in the interest of justice and equity, so that the matter may be adjudicated on its merits.



A handwritten signature in black ink, appearing to read 'P. Anil Kumar', written over a horizontal line.

12. That this affidavit is made in good faith and with a sincere request that substantial justice may not be denied on account of a technical lapse for which I am not responsible.

DEPONENT



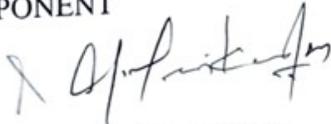
Gnanasekaran Manikandan

VERIFICATION

I, Gnanasekaran Manikandan, son of Vallaguru Gnanasekaran, the deponent, do hereby verify that the contents of the above affidavit are true and correct to the best of my knowledge and belief and nothing material has been concealed therefrom.

Verified at Hyderabad on this 23rd day of May, 2025

DEPONENT



Gnanasekaran Manikandan



ATTESTED

P. ANIL KUMAR
B. Sc, B. L
ADVOCATE & NOTARY
Regd. No: 5766
Appointed by Govt. of India
1-7-181, BAKARAM, MUSHEERABAD
HYDERABAD, TELANGANA

23 MAY 2025

7. We further note that the assessee is a salaried person deriving salary from his employer M/s. Cushman & Wakefield India Pvt. Ltd which was subjected to the TDS. The assessee has filed Form 16 which is not disputed by the Department. In the return of income, the assessee has declared salary income of Rs. Rs.8,93,294/- and loss from house property at Rs.1,50,000/-. The return of income was processed by the CPC vide order dated 11/07/2010 as under:



आयकर केन्द्र
CENTRALIZED PROCESSING CENTER
INCOME TAX DEPARTMENT

Post Bag No.2, Electronic City Post Office, BENGALURU-560100

फोस्ट बैग २, इलेक्ट्रॉनिक सिटी पोस्ट ऑफिस, बंगलूर - ५६०१००

Telephone: 18001030025, 18004190025 (Toll Free) or 080-61464700

फोन: १८००१०३४४५५ (टॉलफ्री) ०८० ४६६०५२००

10041

INTIMATION U/S 143(1) OF THE INCOME TAX ACT, 1961		आयकर अधिनियम 1961 की धारा 143(1) के अधीन आदेश		
Name & Address: GNANASEKARAN MANIKANDAN MAXIMUS 2B MADHAPUR HITECH CITY HYDERABAD ANDHRA PRADESH 500081 Ph.		Document Identification No: पत्र संदर्भ संख्या CPC/0910/12/1002226249 Demand Identification No: 2010200937003063146T		
Gender: लिंग MALE		ITR Type: आई टी आर प्रकार ITR-2 ORIGINAL	Date of Order: आदेश की तिथि 11-07-2010	
Status: प्रारिस्थिति INDIVIDUAL		Return filed under section 139(1): धारा 139(1) के अन्वयान्त	E-Filing Acknowledgement No: 73286860180709	
Residential Status: आवासीय स्थिति RESIDENT		Due Date for Filing: दाखिल करने की देय तिथि 31-07-2009	Date of Filing: विवरण दाखिल करने की प्राप्ति तिथि 18-07-2009	
INCOME TAX COMPUTATION (IN RUPEES)				
Sl.No. क्र.सं.	Particulars विवरण	Reporting Heads विवरण देने वाले शीर्ष	As Provided by Taxpayer in Return of Income करदाता द्वारा आय विवरणी में दिए ध्येरे	As Computed Under Section 143(1) धारा 143(1) के अधीन संगणित
1	HEADS OF INCOME	INCOME FROM SALARY केलन से आय	8,93,294	8,93,294
2		INCOME FROM HOUSE PROPERTY गृह संपत्ति से आय	0	0
3		INCOME FROM BUSINESS OR PROFESSION व्यवसाय या कृति से लाभ एवं प्राप्ति	0	0
4		INCOME FROM CAPITAL GAINS पूंजीगत प्राप्ति	0	8,93,294
5		INCOME FROM OTHER SOURCES अन्य स्रोतों से आय	0	26,79,882
6	INCOME DETAILS	INTRA HEAD ADJUSTMENTS	N/A	0
7		GROSS TOTAL INCOME(AFTER INTRA HEAD ADJUSTMENTS)	7,43,290	44,66,470
8		LOSS OF CURRENT YEAR ADJUSTED	0	0
9		LOSS OF PREVIOUS YEARS ADJUSTED	0	0
10		GROSS TOTAL INCOME INCLUDING INCOME FROM OTHER SOURCES	7,43,290	44,66,470
11		DEDUCTIONS UNDER CHAPTER VIA	1,00,000	1,00,000
12		TOTAL INCOME AFTER DEDUCTIONS	6,43,290	43,66,470

Document Identification No. CPC/0910/12/1002226249

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पत्र संदर्भ संख्या

PAN: स्थायी खाता संख्या AEQPM0159J	Name नाम GNANASEKARAN MANIKANDAN	A.Y. निर्धारण वर्ष 2009-10	Date of order आदेश के तिथि 11-07-2010
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Sl.No. क्र.सं.	Particulars विवरण	Reporting Heads विवरण देने वाले शीर्ष	As Provided by Taxpayer in Return of Income करदाता द्वारा आय विवरणी में दिए गये	As Computed Under Section 143(1) धारा 143(1) के अधीन संगणित
13		LOSS IN CURRENT YEAR TO BE CARRIED FORWARD	0	0
14		AGRICULTURAL INCOME	0	0
15	TAX DETAILS	TAX ON NORMAL INCOME	97,988	9,46,954
16		TAX ON SPECIAL INCOME	0	2,67,988
17		NET TAX PAYABLE	0	12,14,942
18		AGRICULTURAL REBATE	0	0
19		CREDIT U/S 88E	0	0
20		ADJUSTED TAX LIABILITY	97,988	12,14,942
21		SURCHARGE	0	1,21,494
22		MARGINAL RELIEF	N/A	0
23		EDU CESS+SECONDARY & HIGHER EDU CESS	2,940	40,093
24		GROSS TAX LIABILITY BEFORE TAX RELIEF	1,00,928	13,76,529
25	TAX RELIEF	RELIEF U/S 89	0	0
26		RELIEF U/S 90	0	0
27		RELIEF U/S 91	0	0
28		TOTAL TAX RELIEF	0	0
29	TOTAL INCOME TAX LIABILITY	TOTAL INCOME TAX LIABILITY	1,00,928	13,76,529
30	INTEREST PAYABLE	234A INTEREST	0	0
31		234B INTEREST	0	2,04,096
32		234C INTEREST	0	48,105
33		TOTAL INTEREST LIABILITY	0	2,52,201
34		AGGREGATE INCOME TAX LIABILITY	1,00,928	16,28,730
35	PRE-PAID TAXES	TDS	1,00,927	1,00,927
36		TCS	0	0
37		ADVANCE TAX	0	0
38		SELF ASSESSMENT TAX	0	0
39		TOTAL TAX CREDIT ALLOWED	1,00,927	1,00,927

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Document Identification No. CPC/0910/12/1002226249

पत्र संदर्भ संख्या

PAN: स्थायी खाता संख्या AEQPM0159J	Name नाम GNANASEKARAN MANIKANDAN	A.Y. निर्धारण वर्ष 2009-10	Date of order आदेश की तिथि 11-07-2010
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Sl.No. क्र.सं.	Particulars विवरण	Reporting Heads विवरण देने वाले शीर्ष	As Provided by Taxpayer in Return of Income करदाता द्वारा आय विवरणी में दिए ग्योरे	As Computed Under Section 143(1) धारा 143(1) के अधीन संगणित
40	REFUND	REFUND AMOUNT	0	0
41		INTEREST U/S 244A ON REFUND	N/A	0
42		DELAY ATTRIBUTABLE TO TAX PAYER(IN MONTHS)	N/A	0
43		TOTAL INCOME TAX REFUND	0	0
44	TAX PAYABLE	NET AMOUNT PAYABLE	0	15,27,803
ADJUSTMENT OF REFUND AGAINST DEMAND OUTSTANDING				

NET AMOUNT REFUNDABLE	0
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Note:

- 1)The Refund, if any, is issued by State Bank of India on behalf of the Income Tax Department. Interest under section 244A of the Income Tax Act 1961 is computed upto the date of issue of the refund. Refunds will be issued only for amounts exceeding Rs.100.
- 2)In case of any difficulty or delay in receipt of Refund kindly call the State Bank of India. Call Center No.18004259760 to know the status of Refund.
- 3)If you are not satisfied with the intimation under section 143(1), you may seek rectification as per section 154 with CPC or appeal under section 246A of the Income Tax Act, 1961, in your Territorial Jurisdiction.
- 4)In case of Demand, this intimation may be treated as Notice of Demand under section 156 of the Income Tax Act. Accordingly, you are requested to pay the entire Demand within 30 days of receipt of this intimation. The payment is to be made using the pre-printed challan enclosed. The Tax Payment challan is enclosed where the Tax Payable exceeds Rs. 100.

8. Thus, it is apparent from the order of the CPC u/s 143(1), the salary income of Rs.8,93,294 was enhanced to total income of Rs.44,66,470/- and after the deduction under Chapter VI-A, the total income was assessed at Rs.43,66,470/-. The said figure of salary income of Rs.8,93,294/- is repeated as income from capital gain and 3 times added to the income from other

sources. Thus, the addition of 4 times of the salary income was made by taking the same figure under the head income from capital gain, income from interest, income from rent and income from other sources. It is apparent from the record that there was some technical glitches or bug in the system of e-filing wherein the salary income was also picked up by the system as capital gains and 3 times under the head income from other sources resulting the total income of the assessee was assessed at 5 times of the salary income. This fact is not disputed by the Department that the amount of salary income repeated under various heads either due to some technical glitches or bug in the system or mistake at the time of filing the return of income. It is also not in dispute that the assessee is deriving only the salary income which was subjected to TDS apart from some loss from house property. It is pertinent to note that the assessment of income in the hand of the assessee while processing the return of income at 5 times of the real income is nothing but a highly arbitrary and unjustified demand of tax on the part of the Department. Thus, not deciding the case of the assessee on merits would definitely amount to miscarriage of justice to the assessee who is a salaried person.

8.1 Though the delay in filing the appeal before the learned CIT (A) is an inordinate delay however, having regard to the facts and circumstances of the case that the assessee is sincerely filing his regular return of income within the stipulated time and declared the correct income having no other source than

the salary income, then not considering this crucial aspect of the matter while deciding the appeal by the learned CIT (A), in our view, has resulted a gross injustice to the assessee. It is settled proposition that when it is apparent from the record that not deciding the matter on merits but on technicalities would result a miscarriage of justice, then a pragmatic and lenient approach has to be taken for condonation of delay. It is also a matter of record that the Department has not filed any record to show that the intimation was served upon the assessee except the learned DR has filed a report of the Assessing Officer as under:

08/09/2025, 10:30

webmail.incometax.gov.in/iwc_static/layout/shell.html?lang=en-US&3.0.3.4.0_24021652

Subject: **Re: Appeal Proceedings in ITA No's.377&404/Hyd/2025 before Hon'ble ITAT "A" Bench - in the case of Sri Gnanasekaran Manikandan,Hyd PAN-AEQPM0159J – A.Y's.2009-10&2017-18-Reg**

To: "Hyderabad Addl CIT[ITAT], R-1, O/o CIT[ITAT]-1" <hyderabad.sar.itat

Date: 05/08/25 12:32 PM

From: "hyderabad.ito7.1" <hyderabad.ito7.1@incometax.gov.in>

Dear Sir,

This is to submit that the factual report regarding the actual date of the intimations U/s 143(1) to the assessee for the below mentioned Assessment years are as follows:-

Sl.No	A.Y	Due date of filing of ROI	Date of filing of ROI	Date of Intimation u/s 143(1)	Time Limit to issue Intimation u/s 143(1)
1	2009-10	31.07.2009	18.07.2009	11.07.2010	31.12.2010
2	2017-18	05.08.2017	22.07.2017	05.09.2018	31.12.2018

Time limit for issue of intimation u/s 143(1), the intimation has to be sent within nine months from the end of the financial year in which the return is being filed, Hence it is seen that the notice u/s 143(1) were served to the assessee well within time limit.

This is for your kind information and necessary action

Yours Faithfully,

(Vanlalsiami)
Income Tax Officer,
Ward-7(1), Hyderabad

On 05/08/25 11:25 AM, "Hyderabad Addl CIT[ITAT], R-1, O/o CIT[ITAT]-1" <hyderabad.sar.itat1.1@incometax.gov.in> wrote:

9. The Assessing Officer has given only the details of filing of the return of income and processing of the same u/s 143(1) but nothing has been produced to show that the said intimation dated 11/07/2010 was served upon the assessee through any of the mode prescribed u/s 282 of the Act. In the year 2010, the Department was not sending any intimation in digital form, but it used to send physically and that too rarely. Therefore, we find merits in the reasons explained by the assessee that prior to February 2023, the assessee was not having intimation dated 11/07/2010 and hence, there was a delay of filing the appeal before the learned CIT (A). Having considered the facts and circumstances of the case and particularly the excess income assessed in the hand of the assessee due to some technical glitches or system bug, the case of the assessee is required to be decided on merits instead of dismissing the same on technicalities of delay in filing the appeal. Accordingly, having regard to the peculiar facts and circumstances of the case, we condone the delay of 5201 days in filing the appeal before the learned CIT (A).

10. The learned CIT (A) has not decided the appeal of the assessee on merits and there is no assessment in the case of the assessee as the return of income was only processed u/s 143(1) of the Act whereby apparently the income of the assessee was wrongly assessed to 5 times than the actual income from salary. Hence, in the facts and circumstances of the case, the controversy

in the matter was not considered and decided at any stage by the lower authorities, then in the interest of justice, we set aside the impugned order of the learned CIT (A) and the matter is remanded to the record of the Assessing Officer for fresh adjudication to determine the correct income of the assessee as per law. Needless to say, the assessee be given an appropriate opportunity of hearing before passing the fresh order.

11. In the result, appeal in ITA No.377/Hyd/2025 is allowed for statistical purposes.

ITA No 404/Hyd/2025 – A.Y 2017-18

12. For the A.Y 2017-18, the facts are identical to the assessment year 2009-10 except the period of delay in filing the appeal before the learned CIT (A) was 2224 days. The assessee has explained the cause of delay as intimation u/s 143(1) was not received by the assessee till the communication of outstanding demand was made in the month of Sept/October, 2022 and in response to the same, the assessee filed the rectification letter under the bonafide belief that there should be some factual or computational errors resulting the demand. Thus, the assessee has explained the identical reasons for the delay in filing the appeal before the learned CIT (A) for the A.Y 2017-18. The assessee has also filed a petition for condonation of delay as well as an affidavit explaining the reasons that the assessee was under

bonafide impression that since there was no concealment or under reporting of income and the error, if any, was either factual or computational in nature, the Department would correct in the proceedings u/s 154 of the Act. In view of our decision on the condonation of delay for the A.Y 2009-10, we find that when the cause of substantial justice and technicalities are pitted against each other, then the Courts should prefer the cause of substantial justice instead of deciding the matter on technicalities. Accordingly, the delay of 2224 days in filing the appeal before the learned CIT (A) stands condoned.

13. Since the learned CIT (A) has dismissed the appeal of the assessee in limine on the ground of delay in filing the appeal and not decided the issue on merits and further there was no assessment order, but only the return of income was processed u/s 143(1) of the Act, therefore, the matter has not been examined at any stage either in the assessment proceedings or in the first appellate proceedings. The controversy, therefore, is required to be considered and decided after verification and examination of the relevant record and facts. Therefore, in the interest of justice, we set aside the impugned order of the learned CIT (A) and the matter is remanded to the record of the Assessing Officer for fresh adjudication to determine the correct income of the assessee as per law. Needless to say, the assessee shall be given an appropriate opportunity of hearing before passing the fresh order.

14. In the result, both the appeals filed by the assessee are allowed for statistical purposes.

Order pronounced in the Open Court on 17th September, 2025.

Sd/-

Sd/-

(MADHUSUDAN SAWDIA) ACCOUNTANT MEMBER	(VIJAY PAL RAO) VICE-PRESIDENT
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Hyderabad, dated 17th September, 2025.

Vinodan/sps

Copy to:

S.No	Addresses
1	Shri Gnanasekaran Manikandan, Flat No.1202, B Block, Princeton Block, Aditya Empress Tower, Behind Passport Office, Shaikpet, Golkonda, Hyderabad 500008
2	Income Tax Officer Ward 7(1) Hyderabad
3	Pr. CIT - Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order