

INCOME TAX APPELLATE TRIBUNAL
HYDERABAD "A" BENCH: HYDERABAD

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

ITA.No.897/Hyd./2025
Assessment Year 2014-2015

Rajamuri Shivaraj, MAHABUBNAGAR. PIN – 509 001. Telangana. PAN CMTPS4098F	vs.	The Income Tax Officer, Ward-1, IT Office, MAHABUBNAGAR PIN – 509 001. Telangana.
(Appellant)		(Respondent)

For Assessee :	Sri Mohd. Afzal, Advocate
For Revenue :	Sri Madan Mohan Meena, Sr. AR

Date of Hearing :	10.09.2025
Date of Pronouncement :	24.09.2025

ORDER

PER MANJUNATHA G. :

The above appeal has been filed by the assessee against the Order dated 27.03.2025 of the learned CIT(A)-National Faceless Appeal Centre [in short "NFAC"], Delhi, relating to the assessment year 2014-2015.

2. Brief facts of the case are that, the assessee is an individual and has not filed his return of income. In this case, as per information available on records, the assessee

had deposited cash amounting to Rs.65,55,000/- in saving bank account maintained with ICICI Bank during the previous year relevant to the assessment year 2014-2015. Considering the huge cash deposit and after due verification, the Department has initiated proceedings u/sec.147 of the Income Tax Act, 1961 [in short “the Act”] by issuance of notice u/s 148 of the I. T. Act, 1961 dated 29.03.2021 which was duly served upon the assessee through his registered mail requiring the assessee to file his return of income within 30 days. The assessee in response to the notice didn't file his return for the assessment year 2014-2015 nor responded to the statutory notices issued u/sec.142(1) or show cause notice issued u/sec.144 of the Act. Therefore, in absence of any explanation from the assessee along with supporting documentary evidences, the Assessing Officer determined the total income of the assessee at Rs.65,55,000/- by making addition u/sec.69A of the Act as unexplained money vide his best Judgment assessment order dated 14.03.2022.

3. Aggrieved by the assessment order, the assessee preferred appeal before the learned CIT(A). The learned CIT(A) has issued notices on 09 occasions u/sec.250 of the Act which are tabulated at pages 3 and 4 of the order. Since the assessee did not respond to the notices issued by the learned CIT(A), the learned CIT(A) has dismissed the appeal of the assessee for non-prosecution by relying on the decision of Hon'ble Supreme Court in the case of CIT vs., BN Bhattacharjee & Others [1979] 10 CTR 354 (SC) and various other judicial precedents on the issue of non-prosecution. The learned CIT(A) accordingly sustained the order of the Assessing Officer.

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

5. Sri Mohd. Afzal, Advocate-Learned Counsel for the Assessee submitted that, the Assessing Officer was erred in making addition u/sec.69A of the Act as unexplained money towards cash deposited into bank account amounting to Rs.65,55,000/- without providing

adequate opportunity of hearing to the assessee and passed ex-parte assessment order dated 14.03.2022. Further, during the course of appellate proceedings before the learned CIT(A), the learned CIT(A) has provided various opportunities to the assessee, but, the assessee could not respond to the said notices due to the circumstances beyond his control. Further, the learned CIT(A) has dismissed the appeal of the assessee for non-prosecution, without deciding the appeal on merits which is not in accordance with law. He, therefore, pleaded that in the interest of justice one more opportunity may please be granted to the assessee to substantiate his case by remitting the issue back to the file of learned CIT(A) for afresh adjudication.

6. Sri Madan Mohan Meena, learned Sr. AR for the Revenue, on the other hand, supporting the orders of the lower authorities submitted that, the assessee neither appeared nor filed relevant documentary evidences to substantiate his case before the lower authorities. Therefore, the Assessing Officer made the addition and in

absence of proper explanation filed by the assessee during the course of appellate proceedings, the learned CIT(A) sustained the addition made by the Assessing Officer. Learned Sr. AR, therefore, submitted that, the order of the learned CIT(A) should be upheld.

7. We have heard both the parties, perused the material on record and had gone through the orders of the authorities below. There is no dispute with regard to the fact that, the assessee is an individual and had not filed his return of income for the impugned assessment year 2014-2015 under consideration. As per the information available with the Department, the assessee had deposited cash amounting to Rs.65,55,000/- in saving Bank Account maintained with ICICI Bank during the previous year relevant to the assessment year under consideration. In view of the above information, the Assessing Officer has reason to believe that income chargeable to tax has escaped assessment. Therefore, the Assessing Officer reopened the assessment u/sec.147 of the Act and issued notice u/sec.148 of the Act on 29.03.2021. In response, the

assessee did not file his return of income. Further, the Assessing Officer issued statutory notices u/sec.142(1) and show cause notice u/sec.144 of the Act. However, the assessee did not respond to any of the notices. In absence of any material or documentary evidences furnished by the assessee to substantiate his case, the Assessing Officer based on the material available on record, made impugned addition Rs.65,55,000/- as unexplained money u/sec.69A of the Act and passed best Judgment assessment order u/sec.144 of the Act. During the course of appellate proceedings before the learned CIT(A), although, the learned CIT(A) has issued notices on 9 occasions u/sec.250 of the Act, the assessee did not respond to any of the notices and furnished his submissions with supporting documentary evidences. Therefore, the learned CIT(A) dismissed the appeal of the assessee for non-prosecution and sustained the addition made by the Assessing Officer. The contention of the Learned Counsel for the Assessee before the Tribunal that, the learned CIT(A) has not decided the appeal on merits, which is not in accordance with law. Therefore, the

Learned Counsel for the Assessee pleaded that, one more opportunity may please be provided by remitting the matter back to the file of learned CIT(A) to substantiate it's case. We find that, it is the settled position of law that, the appellate authority has to decide the appeal on merits, even though, the assessee-appellant did not appear before him. In the present case, since the learned CIT(A) has dismissed the appeal for non-prosecution without deciding the appeal of the assessee on merits, we are of the considered view that, the issue needs to be set-aside to the file of learned CIT(A) to give another opportunity of hearing to the assessee. Thus, we set-aside the order of the learned CIT(A) and restore the issue back to the file of learned CIT(A) with a direction to reconsider the issue, after providing reasonable opportunity of hearing to the assessee. Needless to say, the assessee shall furnish relevant details in support of his claim as and when the case is posted for hearing. Further, we also direct the assessee to pay a nominal cost of Rs.5000/- [Rs. Five Thousand Only] for showing negligence or inaction before the Assessing Officer and the learned

CIT(A) and the said costs directed as above shall be paid to the Prime Minister's Relief Fund and produce relevant evidence to the Registry of the Tribunal within 30 days from the date of receipt of this order.

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

Order pronounced in the open Court on 24.09.2025.

Sd/-
[RAVISH SOOD]
JUDICIAL MEMBER

Sd/-
[MANJUNATHA G]
ACCOUNTANT MEMBER

Hyderabad, Dated 24th September, 2025

VBP

Copy to

1.	Rajamuri Shivaraj, 3-13-24, Veerannapet, MAHABUBNAGAR – 509 001. Telangana.
2.	The Income Tax Officer, Ward-1, IT Office, MAHABUBNAGAR – 509 001. Telangana.
3.	The Pr. CIT, Hyderabad.
4.	The DR ITAT "A" Bench, Hyderabad.
5.	Guard File.

//By Order//

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