

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

श्री विजय पाल राव, उपाध्यक्ष एवं श्री मधुसूदन सावडिया, लेखा सदस्य के समक्ष ।

BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT
AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं /IT(IT)A No.507/Hyd/2025 & ITA.No.1302/Hyd./2025

निर्धारण वर्ष/Assessment Year 2015-2016

Ramgopal Varma Ramaraju, Hyderabad. PIN – 500 060. Telangana. PAN ARPPR7316E	vs.	The Income Tax Officer [INT.TAXN]-2, Hyderabad PIN - 500 004. Telangana.
(Appellant)		(Respondent)

निर्धारिती द्वारा/Assessee by:	Sri S Rama Rao, Advocate
राजस्व द्वारा/Revenue by:	Dr. Narendra Kumar Naik, CIT-DR And Dr. Sachin Kumar, Sr. AR

सुनवाई की तारीख/Date of hearing:	15.10.2025
घोषणा की तारीख/Pronouncement:	15.10.2025

आदेश /ORDER

PER VIJAY PAL RAO, VICE PRESIDENT :

These two appeals I.T.(IT).A.No.507/Hyd/2025 and ITA.No.1302/Hyd./2025 by the assessee viz., “*Ramgopal Varma Ramaraju*” are directed against the Directions dated 25.11.2024 of the Disputes Resolution Panel-1, Bengaluru

and the Order dated 24.06.2025 of the Commissioner of Income Tax (Appeals)-10, Hyderabad, respectively, for the assessment year 2015-2016.

2. The assessee has raised the following grounds of appeal in ITA.No.1302/Hyd./2025 :

1. *"The order of Ld. CIT(A) is erroneous both on facts and in law.*
2. *The order of Ld. CIT(A) is mechanical and without application contained contradictory statements/decision. On page 5 of the order, it was stated/decided that "Considering the facts of the case, the delay in filing of appeal is condoned and appeal is considered for the adjudication" after extracting the condonation petition whereas on page 6 of the order, it was mentioned "the delay is not condoned and thus, the appeal is not being admitted".*
3. *The Ld. CIT(A) rejected the plea for condonation of delay wrongly relying on the AO's endorsement in the assessment order that no communication with regard to filing of objections before the Hon'ble DRP was intimated to the AO, which is factually not correct since the appellant-assessee filed objections in Form-35A before DRP on 26.02.2024 within due date and also intimated the AO through e-Response dt.26.02.2024 i.e., well before passing final assessment order on 03.04.2024.*
4. *The Ld. CIT(A) ought to have admitted the appeal and adjudicated the grounds of appeal on merits since the impugned assessment order passed u/s 147 rws 144 was legally not sustainable/tenable on many grounds viz., (a) the notice u/s 148 was time barred as it was issued after 6 years; (b) the*

assessment order was passed on 03.04.2024 without considering the objections filed before DRP and (c) there was no escapement of income nonetheless Rs.50 lakh or above.

5. *Any other ground(s) that may be urged at the time of hearing.*

3. The assessee has raised the following grounds in his appeal in ITA.No.507/Hyd./2025 as under :

1. *“The order of DRP is erroneous both on facts and in law.*
2. *The DRP ought to have considered the objections raised when the application was filed within the time before the DRP and when the application was in order;*
3. *The DRP ought to have held that the draft order of the Assessing Officer is erroneous for the following reasons:*
 - a) *the notice u/s 148 was not validly issued and the amount involved was not more than Rs.50 lakhs;*
 - b) *the order is not valid as the notice u/s 148 was issued beyond 6 years from the last date of the assessment year;*
 - c) *The Assessing Officer is not justified in holding that there was deposit of Rs.51,72,000/- and also is not justified in assessing the income u/s 69A of the 1.T.Act;*
 - d) *The Assessing Officer is not justified in holding that the assessee had no source of income for payment of Rs.6,88,859/- and further erred in*

treating the same as the income u/s 69C of the Act;

4. The DRP ought to have held that the order is not valid as the notice is not validly issued and the addition made is also not validly made.”

4. The assessee is an individual and a non-resident. The assessee did not file his return of income u/sec.139(1) of the Income Tax Act, 1961 [in short "the Act"] on the belief that there is no income derived in India liable to tax. The Assessing Officer issued notice u/sec.148 of the Act dated 12.04.2022 on the basis of information that there is a deposit of Rs.12,86,000/- on 12.12.2014 in the bank account of the assessee. Thereafter, the Assessing Officer passed Draft Assessment Order u/sec.144C(1) of the Act on 14.02.2024. Against the Draft Assessment Order, the assessee has filed objections before the Disputes Resolution Panel [in short "DRP"] on 14.03.2024 which were disposed of by the DRP vide Directions dated 25.11.2024 passed u/sec.144C(5) of the Act by holding that the objections filed by the assessee before the DRP is not maintainable in view of the fact that the Assessing Officer has already passed

assessment order on 03.04.2024. Thus, the assessee filed an appeal before the learned CIT(A) against the assessment order passed by the Assessing Officer dated 03.04.2024 u/sec.147 r.w.s.144 of the Act, which was dismissed by the learned CIT(A) on the ground of delay in filing the appeal vide impugned order dated 24.06.2025. Therefore, parallel proceedings were going on in the case of the assessee i.e., one by filing the objections before the DRP and another the Assessing Officer passed assessment order u/sec.147 r.w.s.144 despite the fact that the assessee has already filed objections before the DRP against the Draft Assessment Order within the time as provided under sub-sec.(2) of sec.144(C) of the Act.

5. The learned AR of the Assessee submitted that the assessment order passed u/sec.147 r.w.s.144 of the Act dated 03.04.2024 is invalid when the assessee had already filed his objections against the Draft Assessment Order before the DRP. He has further submitted that the DRP has also committed the mistake for not disposing of the

objections filed by the assessee on the ground that the Assessing Officer has already passed the assessment order.

6. On the other hand, learned DR has not disputed the fact that the Assessing Officer has passed the Draft Assessment Order u/sec.144C(1) on 14.02.2024 and thereafter, passed assessment order u/sec.147 r.w.s.144 of the Act on 03.04.2024 without considering the fact that the assessee has already filed the objections before the DRP against the Draft Assessment Order.

7. We have considered the submissions of the learned AR of the Assessee and learned DR for the Revenue as well as carefully perused the relevant record. We find that the Assessing Officer has passed the Draft Assessment Order u/sec.144C(1) of the Act on 14.02.2024. Against the said Draft Assessment Order, the assessee filed objections before the DRP on 14.03.2024 which is within the period of 30 days as provided u/sec.144C(2) of the Act. Despite this fact of filing the objections against the Draft Assessment Order, the Assessing Officer passed the assessment order dated 03.04.2024 u/sec.147 r.w.s.144 of the Act. The DRP

while dealing with the objections filed by the assessee has passed the order dated 25.11.2024 as under :

“1. A petition in Form No.35A was filed by the assessee raising objections against the draft assessment order u/s. 144C(1) of the Income Tax Act, 1961 (hereafter referred as 'Act') on 14.03.2024 for the Assessment year 2015-16. It is seen that the Draft Assessment Order Was, passed on 14.02.2024. On further perusal of the record, it was noticed that the Final assessment order has already been passed by the AO on 03.04.2024 vide DIN No.

2.1. In view of the above facts, the Panel is of the considerate view that as per the provisions of Section 144(C), the DRP has jurisdiction only over draft assessment orders wherein variations have been proposed and not over final orders.

2.2. In the circumstances, the Panel is of the holds that the objection filed before the DRP is not maintainable and the same is liable to be rejected.

2.3. The objections filed by the Assessee are hereby adjudicated accordingly.

3. The directions of this Panel, as per the discussions above, are hereby issued as per the provisions of section 144C(5) of Income Tax Act. The same is also being communicated to the assessee and to the Assessing Officer in terms of Rule 11 of the INCOME-TAX (DISPUTE RESOLUTION PANEL) RULES, 2009. It may also be noted that the DIN being allotted to these directions upon uploading the same to the ITBA portal is being mentioned at the first page and the communication of the Directions to the assessee is as per the ITBA generated Intimation Letter which is separately attached herewith.”

8. Thus, the objections of the assessee were not decided by the DRP, but, the same were rejected on the ground that the Assessing Officer has already passed the assessment order on 03.04.2024. Due to this development of passing the assessment order by the Assessing Officer without waiting for the outcome of the objections filed by the assessee before the DRP and consequential rejection of the objections on this technical ground by the DRP, the assessee preferred an appeal before the learned CIT(A) to challenge the order dated 03.04.2024. The learned CIT(A) has dismissed the appeal of the assessee as not maintainable due to the delay in filing the appeal. It is pertinent to note that when the assessee was pursuing the objections against the Draft Assessment Order before the DRP and only after the DRP rejected the objections vide order dated 25.11.2024 on the ground that Assessing Officer has already passed the assessment order dated 03.04.2024, the assessee filed the appeal before the learned CIT(A). Therefore, these facts emerging from the record of the assessment order itself explains the delay in filing the

appeal before the learned CIT(A). Accordingly, we set-aside the impugned order of the learned CIT(A) and also set-aside the order passed by the Assessing Officer u/sec.147 r.w.s.144 dated 03.04.2024 without following the procedure as provided u/sec.144C(5) and (13) of the Income Tax Act, 1961, being illegal and *void abinitio*.

9. Since the order passed by the Assessing Officer u/sec.147 r.w.s.144 is now set-aside by us, therefore, the proceedings in pursuance to the Draft Assessment Order passed u/sec.144C(1) of the Act remains incomplete. The assessee already filed objections before the DRP against the Draft Assessment Order, but, the same were not decided by the DRP on merits. Accordingly, in the facts and circumstances of the case and in the interest of justice, the matter is remanded to the record of the DRP for fresh adjudication of the objections filed by the assessee against the Draft Assessment Order dated 14.02.2024. The assessee is at liberty to raise any other objections before the DRP. Needless to say, the assessee be given a proper opportunity of being heard before passing the order by the DRP and

consequential Final Assessment Order by the Assessing Officer.

10. In the result, the appeal filed by the assessee arising from the assessment order passed u/sec.147 r.w.s.144 of the Act in ITA.No.1302/Hyd./2025 is allowed for statistical purposes and the appeal filed by the assessee ITA.No.507/Hyd./2025 against the directions of the Disputes Resolution Panel becomes infructuous and consequently, dismissed.

11. To sum-up, ITA.No.1302/Hyd./2025 of the Assessee is allowed for statistical purposes and ITA.No.507/Hyd./2025 of the Assessee is dismissed as infructuous. A copy of this common order be placed in the respective case files.

Order pronounced in the open Court upon conclusion of the hearing i.e., on 15th October, 2025.

Sd/-
[MADHUSUDAN SAWDIA]
ACCOUNTANT MEMBER
Hyderabad, Dated 15th October, 2025
VBP

Sd/-
[VIJAY PAL RAO]
VICE PRESIDENT

Copy to :

1.	Ramgopal Varma Ramaraju, F.No.303, Vamshi Residency, Chaitanyapuri, Dilsukhnagar, Hyderabad. PIN – 500 060. Telangana.
2.	The Income Tax Officer [INT. TAXN]-2, Aayakar Bhavan, Opp. LB Stadium, Basheerbagh, Hyderabad. PIN – 500 004. Telangana.
3.	The Disputes Resolution Panel-1, Kendriya Sadan, 4 th Floor, C-Wing, BENGALURU – 560 034. Karnataka.
4.	The Pr. CIT, Hyderabad
5.	DR, ITAT “B” Bench, Hyderabad.
6.	Guard file.

BY ORDER,

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