

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 / **ITA No.829/Hyd/2025**
(निर्धारण वर्ष / Assessment Year: 2021-22)

M/s. Vamsiram Builders & Developers Pvt. Ltd., (Formerly Vamsiram Builders) Hyderabad. PAN: AACFV8465E	Vs.	Asst. Commissioner of Income Tax, Central Circle 1(1), Hyderabad.
(Appellant)		(Respondent)
निर्धारिती द्वारा / Assessee by:	Shri M.V. Prasad, C.A.	
राजस्व द्वारा / Revenue by:	Dr. Sachin Kumar, SR-DR	
सुनवाई की तारीख / Date of hearing:	15/10/2025	
घोषणा की तारीख / Pronouncement:	17/10/2025	

आदेश/ORDER

PER MADHUSUDAN SAWDIA, A.M. :

This appeal is filed by M/s. Vamsiram Builders & Developers Pvt. Ltd. ("the assessee"), feeling aggrieved by the order passed by the Learned Commissioner of Income Tax (Appeals)-11, Hyderabad ("Ld. CIT(A)"), dated 13.03.2025 for the A.Y. 2021-22.

2. The grounds raised by the assessee are as under :

1. The learned CIT (Appeals) is erred in facts and law while passing the order.
2. The learned CIT (Appeals) ought to have offered further opportunity to the appellant instead of dismissing the appeal on mere reason that there was no compliance.
3. On the facts and circumstances of the case, the Learned Assessing Officer erred in adding an amount of Rs.7,56,920/- towards non deduction of TDS under section 40a(ia) of the I.T.Act.
4. On the facts and circumstances of the case, the Learned Assessing Officer also not justified in estimating and adding an amount of Rs.89,33,850/- as deemed rent on retained property.
5. On the facts and circumstances of the case, the assessment made by the Learned Assessing Officer is invalid since additions made were not in accordance with the reasons for which selected under CASS and thus travelled beyond the jurisdiction.
6. On the facts and circumstances of the case, The Learned Assessing Officer is not justified in disallowing 30Percentage of the entire interest paid to Bajaj Housing Finance under provisions of Section 40a(ia) of the Act even though it was categorically stated that the payee being the limited company had disclosed the entire interest received as income which fact was also accepted by the Assessing Officer.
7. On the facts and circumstances of the case, without prejudice to the above ground No.5, the Learned Assessing Officer is not justified in disallowing 30 Percent of the entire amount of interest paid u/s.40a(ia) even though the appellant firm has deducted tax at 5 Percent of the total

interest payment and thus would have considered the disallowance on the balance amount of interest where no TDS has been made.

8. On the facts and circumstances of the case, the Learned Assessing Officer is not justified adding the deemed rental income on retained property since the value of the property is to be considered as NIL as per the provisions of Section 23(5) of the I.T.Act.
9. The appellant craves leave to add, amend, alter, vary and/or withdraw any or all the above grounds of appeal.

3. The brief facts of the case are that, the assessee had filed an appeal before the Ld. CIT(A) against the order passed by the Learned Assessing Officer (“Ld. AO”) under section 143(3) read with section 144B of the Income Tax Act, 1961 (“the Act”) dated 26.12.2022 for the Assessment Year 2021–22. However, during the course of appellate proceedings, the assessee failed to comply with the notices issued by the Ld. CIT(A). Consequently, the Ld. CIT(A) dismissed the appeal of the assessee for non-prosecution.

4. Aggrieved by the said order of Ld. CIT(A), the assessee has preferred the present appeal before this Tribunal. The Ld. Authorised Representative (“Ld. AR”) submitted that due to some unavoidable reasons, the assessee could not appear before the Ld. CIT(A) or properly prosecute its case on merits. It was contended that the assessee did not gain any advantage by avoiding the proceedings or by not participating in the appellate process. The Ld. AR therefore pleaded that, in the interest of justice and in accordance with the

principles of natural justice, the assessee may be given one more opportunity to present its case on merits before the Ld. CIT(A). Accordingly, it was prayed that the matter may be restored to the file of the Ld. CIT(A) for fresh adjudication.

5. Per contra the Learned Departmental Representative (Ld. DR) opposed the submissions of the assessee and relied upon the order of the Ld. CIT(A). It was submitted that sufficient opportunities had already been provided by the Ld. CIT(A), which the assessee failed to avail. Hence, according to the Ld. DR, there was no justification for providing another opportunity.

6. We have heard both the parties and perused the material available on record. It is noted that the Ld. CIT(A) dismissed the appeal of the assessee for non-prosecution, accordingly the matter could not be adjudicated on merits. In our considered view, when an assessee expresses willingness to prosecute its appeal and pleads for one more opportunity, a liberal approach is warranted, particularly when the appeal has not been adjudicated on merits. Therefore, in the interest of justice, we are of the view that one more opportunity should be granted to the assessee to present its case before the Ld. CIT(A). Accordingly, the impugned order of the Ld. CIT(A) is set aside, and the matter is restored to the file of the Ld. CIT(A) with the directions that the Ld. CIT(A) shall provide adequate opportunity of

being heard to the assessee and adjudicate the appeal on merits, in accordance with law. The assessee shall be at liberty to furnish necessary submissions and evidences in support of its claims. The assessee is also directed not to seek unnecessary adjournments and to cooperate in expeditious disposal of the appeal.

7. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 17th Oct., 2025.

**Sd/-
(VIJAY PAL RAO)
VICE PRESIDENT**

**Sd/-
(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER**

Hyderabad,
Dated: 17.10.2025.

** Reddy gp*

Copy of the Order forwarded to :

1.	M/s. Vamsiram Builders & Developers Pvt. Ltd., 8 th Floor, Jyothi Lorven, Road No.45, Jubilee Hills, Hyderabad-500 033
2.	The ACIT, Central Circle 1(1), Hyderabad.
3.	Pr.CIT (Central), Hyderabad.
4.	DR, ITAT, Hyderabad.
5.	Guard file.

BY ORDER,