

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ' SMC ' Bench, Hyderabad
श्री विजय पाल राव, उपाध्यक्ष एवं श्री मधुसूदन सावडिया, लेखा सदस्य के समक्ष ।
Before Shri Vijay Pal Rao, Vice-President
A N D
Shri Madhusudan Sawdia, Accountant Member

आ.अपी.सं / **ITA No.1276/Hyd/2025**
(निर्धारण वर्ष/Assessment Year: 2016-17)

Shri Arul Sundaram Hyderabad PAN:AWAPS1005P (Appellant)	Vs.	Income Tax Officer Ward 12(1) Hyderabad (Respondent)
निर्धारिती द्वारा/Assessee by:		Advocate H Srinivasulu
राजस्व द्वारा/Revenue by::		Shri R. Kumaran, Sr. DR
सुनवाई की तारीख/Date of hearing:		12/11/2025
घोषणा की तारीख/Pronouncement:		19/11/2025

आदेश/ORDER

Per Madhusudan Sawdia, A.M.:

This appeal is filed by Shri Arul Sundaram (“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 27.01.2025 for the A.Y. 2016-17.

2. At the outset, it is observed that there is a delay of 129 days in filing of the appeal before this Tribunal. The assessee has filed a condonation petition along with a copy of the affidavit,

explaining the reasons for the delay in filing the appeal. The Learned Authorized Representative (“Ld. AR”) submitted that the assessee was suffering from malfunctioning of kidneys and had been bedridden for more than one year. The doctors had also advised the assessee to undergo kidney transplant. Owing to his serious medical condition, the assessee was completely dependent on his counsel for attending the appellate proceedings before the Ld. CIT(A). However, the counsel failed to appear before the Ld. CIT(A) and also did not inform the assessee about his non-appearance. The assessee has also filed an affidavit of the counsel, Shri M. Mahesh Reddy, in support of this contention. It was submitted that the assessee came to know about the passing of the order of the Ld. CIT(A) only when he received a penalty order dated 25.07.2025 from the Learned Assessing Officer (“Ld. AO”). Immediately thereafter, the assessee made necessary arrangements and filed the present appeal before this Tribunal on 08.08.2025. The Ld. AR further submitted that the delay was due to reasons beyond the control of the assessee, and there was no deliberate or mala fide intention to delay the proceedings. Hence, it was prayed that the delay may be condoned and the appeal may be admitted for adjudication on merits.

3. Per contra, the Learned Departmental Representative (“Ld. DR”) did not raise any serious objection and left the matter to the discretion of the Bench.

4. Having considered the submissions and perused the materials on record, we are of the view that the reasons explained

by the assessee constitute a sufficient cause for the delay in filing the appeal. Considering the medical condition of the assessee and the circumstances explained, we find it appropriate to adopt a liberal approach and condone the delay in the interest of substantial justice. Accordingly, the delay of 129 days in filing the appeal is condoned, and the appeal is admitted for adjudication on merits.

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

1. Ld. CIT(A), NFAC order dated 27-01-2025 is bad in law and is in gross violation of principles of natural justice.
 2. Ld. AO and Ld. CIT(A) erred in completion of assessment and appeal exparte despite furnishing all the details.
 3. Ld. AO erred in not considering the complete details including bank accounts furnished on 16-11-2021 and 21-03-2022 U/s 142(1).
 4. Ld. AO failed to appreciate that the assessee made sincere attempts to file the return of income but online portal did not accept and the computation of total income was filed.
 5. Ld. AO and Ld. CIT(A) failed to appreciate that a sum of Rs. 3,04,136/- was deducted by the employer U/s 192 on salary income of Rs. 15,67,590/- and no credit is given by the Ld. AO.
- J.M.*

6. Ld. AO and Ld. CIT(A) did not give credit for Rs. 3,00,136/- deducted from the salary of the assessee on the ground that the employer failed to deposit the TDS with the government.
7. Ld. AO and Ld. CIT(A) failed to appreciate that no unexplained cash deposits were made in ICICI bank for a sum of Rs. 8,85,000/-.
8. Ld. AO and Ld. CIT(A) failed to consider the information on record in respect of cash deposits which were withdrawn from HSBC Bank A/c No. 082-341850-006 and deposited in ICICI bank A/c No. 020201548957.
9. The appellant craves leave to add, amend and /or after the above ground of appeal, at any time before or at the time of hearing of the appeal.

6. 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 Ld. AO for Assessment Year 2016–17 under section 147 read with section 144B of the Income Tax Act, 1961 (“the Act”) dated 23.03.2022. However, the assessee could not comply with the notices issued by the Ld. CIT(A) during the appellate proceedings. Consequently, the Ld. CIT(A) dismissed the appeal of the assessee for non-prosecution.

7. Aggrieved by the order of Ld. CIT (A), the assessee is now in appeal before this Tribunal. The Ld. AR submitted that, as explained while seeking condonation of delay, due to reasons beyond the control of the assessee, he could not respond to the notices issued by the Ld. CIT(A) during the appellate proceedings.

Consequently, the appeal was dismissed for non-prosecution, and therefore, the assessee could not properly prosecute his case on merits before the Ld. CIT(A). The Ld. AR further submitted that, in order to justify his claims and to support the contentions raised before the Ld. AO, the assessee now intends to produce certain additional evidences which were not earlier produced before the Ld. AO. Hence, it was prayed that, instead of remanding the issue to the Ld. CIT(A), the matter may be remanded to the file of the Ld. AO for fresh adjudication.

8. Per contra, the Ld. DR relied on the orders of the lower authorities and opposed the remand.

9. We have heard the rival submissions and perused the material available on record. On careful consideration, we observe that the assessee could not prosecute his case on merits before the Ld. CIT(A) due to non-compliance on the part of the counsel who failed to appear during the appellate proceedings. In such circumstances, and in the interest of justice, one more opportunity deserves to be granted to the assessee to present his case on merits. We further find that the assessee now seeks to produce certain documents and evidences which were not earlier placed before the Ld. AO. Hence, we are of the considered view that the issue requires fresh examination at the end of the Ld. AO. Accordingly, in the interest of justice, the matter is remanded to the file of the Ld. AO for de novo adjudication of the issue as per law. The Ld. AO is directed to provide adequate opportunity of being heard to the assessee. The assessee shall be at liberty to file

all necessary evidences, documents, and submissions in support of his claim. The assessee is also directed not to seek unnecessary adjournments and to cooperate fully in the proceedings before the Ld. AO.

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

Order pronounced in the Open Court on 19th November, 2025.

Sd/-

Sd/-

(VIJAY PAL RAO) VICE PRESIDENT	(MADHUSUDAN SAWDIA) ACCOUNTANT MEMBER
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Hyderabad, dated 19th November, 2025

Vinodan/sps

Copy to:

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1	Shri Arul Sundaram, 6B 200, 2 nd Floor, Burlingame, Lodha Nelleza, Balaji Nagar, KPHB Colony, Phase-4 Kukatapally Hyderabad 500072
2	Dy. CIT/ACIT, Circle 12(1), Aayakar Bhavan, Opp: LB Stadium, Basheerbagh, Hyderabad 500004
3	Pr. CIT - Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order