

**आयकर अपीलीय अधिकरण, हैदराबाद पीठ**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**Hyderabad 'A' 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.1630/Hyd/2025**  
(निर्धारण वर्ष/Assessment Year: 2022-23)

Shri Sujith Surampudi Ghatkesar PAN:CWCPS7355A (Appellant)	Vs.	Income Tax Officer Ward 1 Mancherial (Respondent)
निर्धारिती द्वारा/Assessee by:	C.A Swathi Sheela	
राजस्व द्वारा/Revenue by:	Smt. Helan Ruby Jesindha, Sr. DR	
सुनवाई की तारीख/Date of hearing:	23/12/2025	
घोषणा की तारीख/Pronouncement:	07/01/2026	

**आदेश/ORDER**

**Per Madhusudan Sawdia, A.M.:**

This appeal is filed by Shri Sujith Surampudi ("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 15.09.2025 for the A.Y 2022-23.

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

*"1. The order u/s250 of the act dt. 15-09-2025 passed by the commissioner of income tax(Appeals), NFAC, Delhi is*

*erroneous both on facts and in law to the extent prejudicial to the interest of the appellant.*

*2. The Ld. CIT(A) ought to have considered that the levy of penalty u/s 272A(1)(d) of the act of Rs.20,000/- by the AO dt. 14.08.2024 is not sustainable as the appellant was prevented by sufficient cause and as such provisions of the sec 273B of the act area clearly applicable.*

*3. The Ld. CIT(Appeals) failed to appreciate that the appellant's mother, Smt.S.Varalakshmi is suffering from MSA-P since 2018, for which a medical certificate given by consultant Neurologist dt.14-09-2024 of KIMS Hospital, Hyderabad was filed, which is the reasonable cause for not appearing/ furnishing before the AO in response to notices u/s 142(1) issued on 28-08-2023 and 07-02-2024.*

*4. The observations of Ld. CIT(A) at para 6.1 of page 10 that the plea of illness of mother has taken only at the appellate stage and remains unsubstantiated by any evidence filed during the course of penalty proceedings, and established that the non-compliance was deliberate and willful, are against to the evidences (Medical certificate) submitted before the Ld. CIT(A) and the Ld. CIT(A) ought to have deleted the penalty of Rs.20,000/-.*

*5. The Ld. CIT(A) passed the order u/s 250 of the act on 15-09-2025 without giving proper opportunity of being heard to the appellant which is against to the principles of National justice and therefore penalty order u/s 272A(1)(d) is to be quashed.*

*6. The Ld. CIT(A) ought to have considered that the AO could not pass the penalty order u/s 272(A)(1)(d) before finalization of the quantum appeal i.e. appeal on the assessment order u/s 144r.w.s.144B of the act, which is pending as on date, as per the provisions of sec275(1)(a) of the IT Act, 1961.*

*7. The appellant may add or alter or modify, substitute or delete add/or rescind all or any of the grounds of appeal at any time before or at the time of hearing of appeal.”*

3. The brief facts of the case are that the assessee is an individual who filed his return of income for the Assessment Year 2022–23 on 17.07.2022, declaring a total income of Rs.3,92,160/-. The assessment of the assessee was completed by the Learned

Assessing Officer (“Ld. AO”) under section 144 read with section 144B of the Income Tax Act, 1961 (“the Act”) on 13.03.2024, assessing the total income of the assessee at Rs.89,16,809/-. During the course of the assessment proceedings, the assessee failed to comply with the notices issued by the Ld. AO under section 142(1) of the Act dated 28.08.2023 and 07.02.2024. Consequently, the Ld. AO initiated penalty proceedings under section 272A(1)(d) of the Act. During the penalty proceedings also, the assessee did not comply with the notices issued by the Ld. AO. The Ld. AO, therefore, passed a penalty order under section 272A(1)(d) of the Act on 14.08.2024, levying a penalty of Rs.20,000/- at the rate of Rs.10,000/- per default for non-compliance with two notices.

4. Aggrieved by the penalty order of the Ld. AO, the assessee preferred an appeal before the Ld. CIT(A). The Ld. CIT(A), after considering the submissions of the assessee, confirmed the penalty levied by the Ld. AO and dismissed the appeal of the assessee.

5. Aggrieved with the order of the Ld. CIT(A), the assessee is in appeal before the Tribunal. Before us, the Learned Authorized Representative (“Ld. AR”) submitted that the assessee’s mother has been suffering from MSA-P since the year 2018 and, due to her serious medical condition, the assessee was required to continuously look after her. Owing to these unavoidable circumstances, the assessee could not comply with the notices issued by the Ld. AO under section 142(1) of the Act during the assessment proceedings. In support of this contention, the Ld. AR

invited our attention to the medical certificate dated 14.09.2024 placed at page no. 32 of the paper book. It was submitted that the non-compliance was due to reasonable cause, and therefore, in terms of section 273B of the Act, no penalty under section 272A(1)(d) of the Act was leviable. The Ld. AR accordingly prayed for deletion of the penalty.

6. Per contra, the Learned Departmental Representative ("Ld. DR") submitted that during the year under consideration, the assessee was involved in online gaming activities and had earned income of Rs.85,24,649/- from such activities. It was contended that when the assessee was actively involved in online gaming on a continuous basis, the plea that he could not comply with statutory notices due to the medical condition of his mother is not acceptable. The Ld. DR, therefore, supported the orders of the lower authorities and prayed for confirmation of the penalty.

7. In rejoinder, the Ld. AR further invited our attention to page no.15 of the order of the Ld. CIT(A), wherein the grounds raised by the assessee in the quantum appeal have been reproduced. It was pointed out that the assessee himself had taken a specific ground (Ground No.13) stating that he was not involved in online gaming and that the gaming activity was carried out by his friend by using the assessee's name. Accordingly, the Ld. AR reiterated that the non-compliance was due to reasonable cause and again prayed for deletion of the penalty.

8. We have carefully considered the rival submissions, perused the material available on record. It is an undisputed fact that the assessee failed to comply with the statutory notices issued by the Ld. AO under section 142(1) of the Act dated 28.08.2023 and 07.02.2024 during the course of the assessment proceedings. It is also not in dispute that even during the penalty proceedings initiated under section 272A(1)(d) of the Act, the assessee did not respond to or comply with the notices issued by the Ld. AO. Accordingly, the Ld. AO levied penalty of Rs.20,000/- at the prescribed rate of Rs.10,000/- per default for two instances of non-compliance. The primary contention of the assessee is that there existed a reasonable cause for non-compliance inasmuch as the assessee's mother has been suffering from MSA-P since the year 2018 and required constant care and attention. In support of this contention, reliance has been placed on a medical certificate dated 14.09.2024, placed at page no. 32 of the paper book, which is to the following effect:

**Dr. S. Sita Jayalakshmi**  
 MD, DM  
 Senior Consultant Neurologist  
 Special Interest - Epilepsy



Date:14/09/2024

**To Whom So Ever It May Concern**

This is to certify that Mrs.S.Varalakshmi age 62years/F with UMRNo.1233062 has been diagnosed with MSA- P since 2018. At present she needs support of a person for all her activities of daily living .

  
**Dr.S.Sitajayalakshmi**  
 Consultant Neurologist

**Dr. Sita Jayalakshmi**  
 MD, DM  
 Senior Consultant Neurologist  
 Special Interest - Epilepsy

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9. On perusal of the above, we find that the certificate merely states that as on the date of issuance, the assessee's mother requires assistance for all activities of daily living. However, the notices under section 142(1) of the Act, non-compliance of which has resulted in levy of penalty, were issued on 28.08.2023 and 07.02.2024, much prior to the date of the medical certificate. The assessee has not brought on record any contemporaneous medical evidence to demonstrate that during the relevant period of non-compliance, his mother's medical condition was such as to prevent him from responding to statutory notices. Therefore, in our considered view, the assessee has failed to establish a reasonable cause within the meaning of section 273B of the Act.

10. We also find merit in the contention of the Ld. DR that during the year under consideration, the assessee was actively engaged in online gaming activities and had earned substantial income therefrom. When the assessee was capable of continuously engaging in online activities generating significant income, the plea that he was unable to comply with simple statutory requirements such as responding to notices issued by the Ld. AO does not inspire confidence. Further, the contention of the assessee that the online gaming activity was not carried out by him but by his friend using the assessee's name, is not supported by any evidence. Accordingly, the mere oral contention of the assessee without any corroborative evidence cannot be accepted.

11. It is also relevant to note that the assessee failed to comply not only during the assessment proceedings but also during the penalty proceedings. The repeated and continued non-

compliance clearly demonstrates a casual and indifferent approach towards statutory proceedings, which cannot be condoned merely on the basis of a general and unsupported explanation. In view of the above facts and circumstances, we are of the considered opinion that the assessee has failed to prove the existence of reasonable cause as contemplated under section 273B of the Act. Therefore, we find no infirmity in the orders of the Ld. AO as well as the Ld. CIT(A). Accordingly, we uphold the order of the Ld. CIT(A) confirming the penalty of Rs.20,000/- levied under section 272A(1)(d) of the Act.

12. In the result, the appeal filed by the assessee is dismissed.

Order pronounced in the Open Court on 7<sup>th</sup> January 2026.

Sd/-

Sd/-

<b>(VIJAY PAL RAO) VICE PRESIDENT</b>	<b>(MADHUSUDAN SAWDIA) ACCOUNTANT MEMBER</b>
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Hyderabad dated 7<sup>th</sup> January 2026.

*Vinodan/sps*

Copy to:

S.No	Addresses
1	Shri SUJITH SURAMPUDI 17-22/31, Sri Surya Lakshmi Nilayam Vinayak Nagar, Peerzadiguda, Ghatkesar K.V.RANGAREDDY Medipalli S.O 500098 ,Telangana
2	Income Tax Officer Ward-1 Office of the Income Tax Officer Mancherial, Mancherial, Telangana
3	Pr. CIT - Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

*By Order*