

आयकर अपीलीय न्यायाधिकरण में, हैदराबाद 'बी' बेंच, हैदराबाद  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**Hyderabad "B" Bench, Hyderabad**

श्री विजय पाल राव, माननीय उपाध्यक्ष एवं श्री मंजूनाथ जी, माननीय लेखा सदस्य  
**SHRI VIJAY PAL RAO, HON'BLE VICE PRESIDENT**  
**AND**  
**SHRI MANJUNATHA G, HON'BLE ACCOUNTANT MEMBER**

आयकर अपील सं./I.T.A.No.1721/Hyd/2025  
(निर्धारण वर्ष/ Assessment Year: 2015-16)

Malireddy Srinath, R/o. Hyderabad.  PAN : BJVPS7134J <b>(अपीलार्थी/ Appellant)</b>	Vs.	The Income Tax Officer, Ward-2(1), Hyderabad.  <b>(प्रत्यर्थी/ Respondent)</b>
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करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri Y. V. Bhanu Narayan Rao, C.A.
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Ms. Kritika Jaiswal, Sr. A.R.
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	18.12.2025
घोषणा की तारीख/ Date of Pronouncement	:	19.12.2025

**ORDER**

**PER MANJUNATHA G., A.M. :**

This appeal filed by the assessee is directed against the order of the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [in short "NFAC"], Delhi, dated 27.08.2025, pertaining to the assessment year 2015-16.

2. The brief facts of the case are that, the assessee is an individual. Information in accordance with the risk management strategy formulated and information available with the department from Insight Portal under NMS category revealed that during the financial year 2014-15 relevant to the Assessment Year 2015-16, the assessee has deposited a sum of Rs.61,21,519/- in cash in the bank account maintained with Andhra Bank (now Union Bank of India). Since no return of income has been filed by the assessee for the Assessment Year 2015-16, it was held that, the income for the Assessment Year 2015-16 has escaped assessment and accordingly proceedings under Section 147 of the Income-tax Act, 1961 were initiated for the Assessment Year 2015-16 by issue of notice under Section 148 of the Act, dated 29.04.2022. An intimation dated 15.12.2022 was issued regarding the completion of assessment proceedings in accordance with Section 144B of the Act. Statutory notices under Section 142(1) of the Act dated 06.01.2023 and 11.07.2023 were issued calling for various details including the source of cash deposits made in the bank account. Since there was no proper compliance from the assessee, show cause notices under Section 144 of the Act dated 21.09.2023 and

07.11.2023 were issued. As the assessee failed to furnish the required details and failed to substantiate the source of deposits made in the bank account, the A.O. completed the assessment under Section 144 r.w.s. 144B of the Act, vide order dated 01.12.2023 and assessed the total income at Rs.67,56,572/- by treating the entire deposits including cash deposits of Rs.61,21,519/- as unexplained money under Section 69A of the Act.

3. Aggrieved by the assessment order, the assessee preferred an appeal before the Ld. CIT(A). Before the Ld. CIT(A), the assessee filed the appeal on 22.07.2025 against the assessment order dated 01.12.2023 with a delay of more than 18 months. The assessee filed a petition for condonation of delay stating that the assessment order passed by the Assessing Officer under Section 147 r.w.s. 144 r.w.s. 144B of the Act was not received by him and that he came to know about the assessment proceedings only after receipt of communication from the Income Tax Department regarding recovery of outstanding demand. The Ld. CIT(A), after considering the petition for condonation of delay and the submissions made by the assessee, held that the appeal was filed

beyond the period prescribed under Section 249(2) of the Act and that the assessee failed to establish sufficient cause within the meaning of Section 249(3) of the Act. The Ld. CIT(A) further held that the assessment order was duly served upon the assessee through electronic means as per Rule 127 of the Income-tax Rules, 1962 and that the plea of non-receipt of the order cannot be accepted. The Ld. CIT(A) held that, the assessee was negligent in not keeping track of the proceedings through the online portal and registered email and failed to discharge the onus of proving sufficient cause for condonation of delay. Accordingly, the Ld. CIT(A) dismissed the appeal in limine as barred by limitation without going into the merits of the case. The relevant findings of the Ld. CIT(A) are as under :

*“2.21 In the present case, the reasons given by the appellant cannot be considered as amounting to sufficient cause so as to prevent him from filing the appeal within the time limit prescribed. The explanation given by the appellant depicts a casual approach of being unmindful of the law of limitation, and does not excuse the delay of more than 18 months in the filing of the appeal.*

*2.22 In view of these facts and on the strength of the judicial decisions referred on the pre pages the delay in filing the appeal does not merit condonation and the appeal is treated to be filed late with reference to the provisions of section 249(3) of the Act for the appellant's failure to file the appeal within the prescribed period of limitation u/s.249(2) of the Income Tax Act, 1961 r.w.s. 5 of Limitation Act and hence the appeal sought to be instituted belatedly is hereby rejected. In view of the above, the explanation submitted by the appellant does not have substance and that the appellant has not discharged the onus of “sufficient cause”*

*within the meaning of section 249 of the I.T. Act. Hence, the delay in filing of appeal more than 18 months cannot be accepted.*

*2.23 Hence, in view of these facts and on the strength of the judicial decisions referred on the pre pages the delay in filing the appeal does not merit condonation and the appeal is treated to be filed late with reference to the provisions of section 249(3) of the Act. The same is accordingly dismissed without going into the merits of the case. 3. Resultantly, the appeal of the assessee.”*

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

5. The learned counsel for the assessee Shri Y. V. Bhanu Narayan Rao, C.A. submitted that, the Ld. CIT(A) erred in dismissing the appeal in limine without condoning the delay. The learned counsel submitted that, the assessee was not aware of the assessment order and came to know about the same only after receipt of communication from the department regarding recovery of outstanding demand. It was further submitted that, the delay was not intentional and the Ld. CIT(A) ought to have condoned the delay in the interest of justice. The learned counsel for the assessee further submitted that, the assessee has a strong case on merits insofar as additional grounds filed by the assessee challenging jurisdiction of the A.O. and since there is a merit in favour of the assessee the delay in filing of the appeal before the

Ld. CIT(A) should be condoned as held by the Hon'ble High Court of Kolkata in the case of Pr. CIT Vs. Soorajmul Nagurmali (2023) 457 ITR 470. Therefore, he submitted that a lenient view may be taken and the delay in filing of the appeal before the Ld. CIT(A) may be condoned.

6. The learned Senior A.R. for the Revenue, Ms. Kritika Jaiswal, on the other hand, supported the order of the Ld. CIT(A) and submitted that there is an inordinate delay of more than 18 months in filing the appeal. It was submitted that the assessee failed to explain the delay with sufficient reasons and no supporting evidence was filed. Therefore, the Ld. CIT(A) has rightly dismissed the appeal in limine and thus, the order of Ld. CIT(A) should be upheld.

7. We have heard both parties, perused the material available on record and had gone through the orders of the authorities below. We have considered the reasons recorded by the Ld. CIT(A) for dismissal of the appeal in limine. We find that the assessment order was passed on 01.12.2023 and the appeal before the Ld. CIT(A) was filed on 22.07.2025. Thus, there is a delay of more

than 18 months in filing the appeal. We find that the assessee has attributed the delay to non-receipt of the assessment order and lack of awareness of the assessment proceedings. However, the Ld. CIT(A) has recorded a categorical finding that the assessment order was duly served upon the assessee through electronic means in accordance with Rule 127 of the Income-tax Rules, 1962 and that it was the duty of the assessee to keep track of the proceedings by regularly checking the online income-tax portal and the registered email address. The Ld. CIT(A) has further held that failure of the assessee to keep track of the proceedings and the passing of the assessment order is entirely attributable to the negligence of the assessee and such negligence cannot be considered as sufficient cause for condonation of delay. Even otherwise, assuming that the assessee came to know about the assessment order only after receipt of communication from the department regarding recovery of outstanding demand, there is no proper explanation furnished by the assessee for the delay thereafter in filing the appeal before the Ld. CIT(A). Further, it is well settled principle of law by the decision of various Courts, including the decision of hon'ble Supreme Court in the case of

Collector, Land Acquisition Vs. Mst. Katiji [1987] 167 ITR 471 (SC), when technicalities and merits of the case are pitted against each other, then the merits of the case alone deserves to be considered, because, if you thrown out a case on technical grounds, a meritorious case may be gone out of the judicial scrutiny. The hon'ble Supreme Court further held that, the Courts must have liberal approach while condoning the delay. At the same time, the hon'ble Supreme Court has also reiterated that, it is the duty of the assessee to explain each and every day delay with sufficient cause. Once the assessee explains sufficient cause, then only the discretion to condone the delay can be exercised. In the present case, going by the facts available on record, including the conduct of the assessee right from the assessment proceedings, the assessee was not serious and was negligent in complying with statutory notices, which resulted in completion of assessment under Section 144 r.w.s. 144B of the Act. The said negligence continued even at the appellate stage, as the appeal was filed with an inordinate delay of more than 18 months without sufficient explanation. Therefore, in our considered view, the reasons given by the Ld. CIT(A) to dismiss the appeal in limine

without condoning the delay are on sound footing and do not require any interference.

8. At this stage, it is relevant to consider the Judgment of Hon'ble Supreme Court in the case of Pathapati Subbareddy (died) replead. by his L.Rs & Ors. vs., The Special Deputy Collector-(LA) in Special Leave Petition (Civil) No.31248 of 2018 vide order dated 08.04.2024 wherein the Hon'ble Supreme Court after considering the provisions of sec.3(1) Secs.4 to 24 of the Limitation Act has refused to condone the delay and dismissed the SLP filed by the assessee and uphold the order of the Hon'ble High Court Andhra Pradesh in dismissing the appeal on account of delay. The Hon'ble Supreme Court while dismissing the SLP, after considering the various judicial precedents on the subject matter of condonation of delay, noted that, "where a litigant could not explain the 'sufficient cause' which means adequate, enough reasons which prevented him to approach the Court within the period of limitation and could not properly, satisfactorily and convincingly explain the delay to the Court/Tribunal, Court's has no power to condone such delays. The Hon'ble Supreme Court further noted that, "the statutory provisions under Limitation Act may cause

hardship or inconvenience to a particular party, but, the Court has no choice, but, to enforce it giving full effect to the same by quoting the legal maxim *dura lex sed lex* which means "the law is hard but it is the law", stands attracted when there were negligence/failure to exercise due diligence etc., and accordingly dismissed the SLP of the appellants in the aforesaid case.

9. Further, the Hon'ble Supreme Court yet in an another case *Balwant Singh (Dead) vs., Jagdish Singh & Ors.* in Civil Appeal No.1166/2006 reported in [2010] 8 SCC 685 in para-16 very clearly held as under :

*"16. Above are the principles which should control the exercise of judicial discretion vested in the Court under these provisions. The explained delay should be clearly understood in contradistinction to inordinate unexplained delay. Delay is just one of the ingredients which has to be considered by the Court. In addition to this, the Court must also take into account the conduct of the parties, bona fide reasons for condonation of delay and whether such delay could easily be avoided by the applicant acting with normal care and caution. The statutory provisions mandate that applications for condonation of delay and applications belatedly filed beyond the prescribed period of limitation for bringing the legal representatives on record, should be rejected unless sufficient cause is shown for condonation of delay. The larger benches as well as equi-benches of this Court have consistently followed these principles and have either allowed or declined to condone the delay in filing such applications. Thus, it is the requirement of law that these applications cannot be allowed as a matter of right and even in a routine manner. An applicant must essentially satisfy the above stated ingredients; then alone the Court would be inclined to condone the delay in the filing of such applications."*

10. In the present case, it appears that the reasons given for delay in filing of the appeal before the Ld. CIT(A) are not bona fide. Further, going by the facts available on record, the assessee is careless and negligent during the entire proceedings before the authorities, which is evident from the assessment order passed by the A.O. under Section 144 r.w.s. 144B of the Act. Further, the assessee, despite being aware of its obligation to comply with the statutory notices issued under the Act and also the requirement to keep track of the assessment proceedings through the online income-tax portal and registered e-mail, failed to do so within the prescribed time. From the above conduct of the assessee, it appears that, the assessee is negligent and careless about the tax matters and is not seriously pursuing its case with clean hands before the authorities. Therefore, in our considered view, for the negligence and casual approach of the assessee, the delay in filing of the appeal cannot be condoned. As we have already stated in the earlier part of this order, the Hon'ble Supreme Court in the case of *Balwant Singh (Dead) vs. Jagdish Singh & Ors.* (supra) has clearly held that, the Court must also take into account the conduct of the parties, bona fide reasons for condonation of delay,

and whether such delay could have been avoided by the applicant acting with normal care and caution. In the present case, going by the facts available on record, the assessee could have avoided the delay in filing of the appeal had it shown a little care and caution in tax matters. Since the assessee has shown a casual approach and negligence in pursuing its case before the Ld. CIT(A), in our considered view, the reasons given by the assessee for delay in filing of the appeal cannot be condoned.

11. It is well settled law by the decision of the Hon'ble Supreme Court in the case of O/o. Chief Post Master General & Ors. vs. Living Media India Ltd. & Anr. [2012] 348 ITR 7 (SC) that the law of limitation has to be applied with all its rigour and liberal approach cannot be extended to cases of gross negligence or inaction. In this view of the matter, and considering the facts and circumstances of the case, we find that, the assessee has failed to explain the delay and the circumstances beyond its control for not filing the appeal before the Ld. CIT(A) within the prescribed period with sufficient and reasonable cause.

12. The learned counsel for the assessee relied upon the decision of Hon'ble Kolkata High Court in the case of Pr. CIT Vs. Soorajmul Nagarmull (2023) 457 ITR 470 and argued that, when there was a legal issue involved in the appeal, the delay in filing of the appeal should be condoned. We find that, the facts of the above case does not applies to the facts of the present case going by the dates and events in the present case, because, there was no legal issue before the ld. CIT(A) as claimed by the assessee while condoning the delay and further, for the first time the assessee has raised legal ground before the Tribunal questioning the jurisdiction of the A.O. for issuing notice u/s 148 of the Act. Therefore, in our considered view, the arguments of the learned counsel for the assessee fail. No doubt, when technicalities and merits are pitted against each other, the merits of the case alone deserves to be considered, including the legal issue. However going by the facts of the case, the assessee has not made out any case on merit before the Ld. CIT(A) and thus, the judgment referred to by the learned counsel for the assessee cannot be considered.

13. In this view of the matter and by respectfully following the judgments of the Hon'ble Supreme Court in the cases of Pathapati

Subbareddy (died) represented by his L.Rs. & Ors. vs. The Special Deputy Collector-(LA) (supra); Balwant Singh (Dead) vs. Jagdish Singh & Ors. (supra); and O/o. Chief Post Master General & Ors. vs. Living Media India Ltd. & Anr. (supra), we are disinclined to condone the delay in filing of the appeal before the Ld. CIT(A), and accordingly, the appeal of the assessee is dismissed.

14. In the result, the appeal of the assessee is dismissed.

Order pronounced in the Open Court on 19<sup>th</sup> December, 2025.

<b>Sd/-</b> श्री विजय पाल राव <b>(VIJAY PAL RAO)</b> उपाध्यक्ष /VICE PRESIDENT	<b>Sd/-</b> (मंजूनाथ जी) <b>(MANJUNATHA G.)</b> लेखा सदस्य/ACCOUNTANT MEMBER
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Hyderabad, dated 19.12.2025.  
TYNM/sps

**आदेशकी प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-**

1.	निर्धारिती/The Assessee	:	Malreddy Srinath, Flat No.504, B Block, Shubham Residency, Gajularamaram Road, Jeedimetla, Hyderabad – 500055.
2.	राजस्व/ The Revenue	:	The Income Tax Officer, Ward –2(1), Hyderabad.
3.	The Principal Commissioner of Income Tax, Hyderabad.		
4.	विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, हैदराबाद / DR, ITAT, Hyderabad		
5.	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary  
ITAT, Hyderabad