

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

श्री मंजुनाथा जी., माननीय लेखा सदस्य एवं श्री रवीश सूद, माननीय न्यायिक सदस्य
SHRI G. MANJUNATHA, HON'BLE ACCOUNTANT MEMBER
AND
SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER

आयकर अपील सं./I.T.A.No.1680/Hyd/2025
(निर्धारण वर्ष/ Assessment Year: 2018-19)

Sahit Chowdary Garapati Hyderabad PAN : ARTPG6136D (अपीलार्थी/ Appellant)	Vs.	Income Tax Officer Ward-10(1) Hyderabad (प्रत्यर्थी/ Respondent)
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करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Adv.P.Vinod,AR
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Shri Sankar Pandi, Sr. A.R.
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	28.01.2026
घोषणा की तारीख/ Date of Pronouncement	:	30.01.2026

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 (NFAC), Delhi in DIN & Order No. ITBA/NFAC/S/250/2025-26/1078780926(1) dated 22.07.2025 arising out of order passed by the A.O. under Section 147 r.w.s. 144 read with section 144B of Income Tax

Act, 1961 (for short “the Act”) dated 22.02.2024 and pertain to the assessment year 2018-19.

2. At the outset, we find that there is a delay of 16 days in filing the appeal before the Tribunal. The learned counsel for the assessee submitted that the assessee filed an affidavit, submitting that appeal against the order passed by the Ld.CIT(A) dated 22.07.2025 ought to have been filed on or before 30.09.2025, but the same was filed on 16.10.2025 with a delay of 16 days. The assessee submitted that he has filed an appeal on 13.05.2024 with the help of income tax practitioner and was waiting for hearing notice from the Ld.CIT(A)/NFAC to enable his consultant to file written submissions. After thoroughly checking the mails for quite some time, the assessee along with his consultant logged into the income tax portal and found that the Ld.CIT(A)/NFAC had passed the order and the notices sent by him had landed in the spam folder of his email. The assessee was advised to approach the present counsel and without any further delay the appeal was filed online on 16.10.2025 with the delay of 16 days. The assessee further submitted that the delay in filing the appeal is neither wilful nor wanton but for the above mentioned reasons. He, therefore pleaded to condone the delay

and admit the appeal for hearing in the interest of justice for which the Ld.DR has not raised any objection.

3. We have heard both the parties and gone through the affidavit filed by the assessee for condonation of delay. We find there is a valid and sufficient cause for the assessee to file the appeal with the delay of 16 days. We, therefore, condone the delay and admit the appeal for hearing.

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

1. *On the facts and in the circumstances of the case, the order of the Ld.CIT(A) is erroneous both on facts and in law and is passed in gross violation of principles of natural justice.*

2. *The Ld.CIT(A) erred in not adjudicating the ground with respect to jurisdiction of A.O. in issuing notice u/s 148 of the Act.*

3. *Without prejudice, the Ld.CIT(A) erred in sustaining the addition made by the A.O. of Rs.1,10,00,000 as unexplained investment u/s 69 of the Act.*

4. *The authorities below failed to appreciate the reply filed by the appellant during the proceedings u/s 148A of the Act and documentary evidence such as loan statement in order to explain the sources for the investment made in proper perspective.*

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

5. The brief facts of the case are that the assessee, an individual had not filed his return of income for the A.Y.2018-19 u/s 139(1) of the Act. As per credible information available with the department through Insight Portal, the case of the assessee was reopened u/s 147 by

issuance of notice u/s 148 of the Act and it was observed that the assessee, during the F.Y.2017-18 relevant to A.Y.2018-19 purchased an immovable property on 11.01.2018 at Maredpally for a consideration of Rs.1,10,00,000/-. To verify the source of investment made by the assessee for purchase of the immovable property, notices u/s 142(1) of the Act were issued to the assessee from time to time. But the assessee failed to furnish any explanation/documentary evidence regarding the same. The A.O., therefore, observed that the assessee is not interested in pursuing his own case and failed to discharge the primary onus cast upon him to furnish the details required with documentary evidence to complete the assessment proceedings. Hence, the source of investment made for purchase of immovable property amounting to Rs.1,10,00,000/- remained unexplained and the same was added to the taxable income of the assessee for the A.Y.2018-19, treating the same as unexplained investment u/s 69 of the Act.

6. Aggrieved by the order of the A.O., the assessee preferred an appeal before the CIT(A) and the Ld.CIT(A) upheld the order passed by the A.O. and dismissed the appeal filed by the assessee ex-parte.

7. Aggrieved by the order of the Ld.CIT(A), the assessee preferred an appeal before the Tribunal.

8. At the outset, the learned counsel for the assessee contended that the Ld.CIT(A) is not justified in upholding the order of the A.O., without verifying the documentary evidence such as loan statement in order to explain the sources for the investment made and simply passed an ex-parte order without giving proper opportunity of being heard to the assessee against principles of law. He, therefore, pleaded that the matter may be set aside to the file of the Ld.CIT(A) and the assessee may be given an opportunity of hearing to explain his case with documentary evidence in the interest of justice.

9. Per contra, the learned Sr.AR for the revenue supported the order of the Ld.CIT(A) and submitted that the assessee was given many opportunities, but the assessee failed to rebut the findings of the A.O. with proper documentary evidence. He therefore, submitted that the order of the Ld.CIT(A) be upheld and dismiss the appeal filed by the assessee.

10. We have heard both the parties, perused the material available on record and gone through the orders of the authorities below. We find that the appellate proceedings before the First Appellate Authority are ex-parte. The assessee neither appeared nor filed any details to explain the case, therefore, the Ld.CIT(A) dismissed the appeal filed by the assessee for non-prosecution, however, not considered the issues involved in the appeal on merits. It is well settled principle of law by various courts and Tribunal that even in case of non-prosecution by the appellant, the First Appellate Authority should decide the appeal on merits on the basis of material available on record. In the present case, the Ld.CIT(A) dismissed the appeal filed by the assessee *in-limine* for non-prosecution, without considering the issues on merits. Therefore, in our considered view, the order passed by the Ld.CIT(A) cannot be upheld. Thus, we set aside the order passed by the Ld.CIT(A) and restore the issue back to the file of the Ld.CIT(A) for fresh adjudication. The Ld.CIT(A) is directed to reconsider the issue after providing one more opportunity of hearing to the assessee to explain his case.

11. In the result, appeal filed by the assessee is allowed for statistical purpose.

Order pronounced in the Open Court on 30th January, 2026.

<p>Sd/- (रवीश सूद) (RAVISH SOOD) न्यायिक सदस्य/JUDICIAL MEMBER</p>	<p>Sd/- (मंजुनाथा जी.) (MANJUNATHA G.) लेखा सदस्य/ACCOUNTANT MEMBER</p>
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Hyderabad,
dated 30.01.2026.

L.Rama/sps

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

1.	निर्धारिती/The Assessee	:	Shri Sahit Chowdary Garapati, Flat No.203, h.No.12-13-677/1, Street No.1, Kimtee Colony, Tarnaka, Lallapet, Secunderabad, Hyderabad
2.	राजस्व/ The Revenue	:	The Income Tax Officer, Ward-10(1), IT Towers, AC Guards, Masab Tank, 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