

**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH : BANGALORE**

**BEFORE SHRI PRASHANT MAHARISHI, VICE – PRESIDENT
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA Nos. 1130 & 1131/Bang/2025
Assessment Year : 2018-19

Ms. Nagendraram Bhushanam Manasa, No. 9, 1 st A Road Bus Stop, Anubhava Nagar, Bengaluru – 560 072. PAN: AXAPM7206K	Vs.	The Income Tax Officer, Ward – 3(2)(1), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Shri C. Ramesh, CA
Revenue by	:	Shri Subramanian .S, JCIT-DR

Date of Hearing	:	19-11-2025
Date of Pronouncement	:	16-02-2026

ORDER

PER SOUNDARARAJAN K., JUDICIAL MEMBER

These are the appeals filed by the assessee challenging the orders of the NFAC, Delhi dated 25/03/2025 (quantum) and 27/03/2025 (penalty) in respect of the A.Y. 2018-19. Both these appeals were heard together and are being disposed of by way of this common order for the sake of convenience.

2. The brief facts of the case are that the assessee is an individual and filed his return of income on 27/09/2018. The assessee claimed deduction u/s. 80IA of the Act. The AO not accepted the claim and disallowed the same and also disallowed the expenditure. The AO also imposed penalty

u/s. 270A of the Act for the reason that the assessee had under reported the income as a consequence of misreporting the same. As against the said order, the assessee filed appeals before the Ld.CIT(A). The Ld.CIT(A) had issued ten notices but the assessee had not responded to the said notices and therefore the Ld.CIT(A) had decided the appeal on merits ex-parte.

3. As against the said orders, the present appeals have been filed by the assessee before this Tribunal.

4. At the time of hearing, the Ld.AR submitted that the General Manager of the assessee fell sick and therefore the assessee has not appeared before the Ld.CIT(A) and prayed that the assessee is having all the documents to show that the order of the AO is not correct and also filed a paper book enclosing the various documents including the appeal order for the A.Y. 2019-20 in which a similar claim was allowed by the Ld.CIT(A). The Ld.AR also relied on the another assessee's order for the A.Y. 2023-24 and prayed to grant an opportunity to appear before the Ld.CIT(A).

5. The Ld.DR submitted that the Ld.CIT(A) had decided the issue on merits and therefore the issue may not be remitted to the file of the Ld.CIT(A) for considering the issue once again.

6. We have heard the arguments of both sides and perused the materials available on record.

7. We have also perused the documents filed in the paper book and also the appeal order in respect of the assessee for the A.Y. 2019-20 and also the assessment order of the another assessee in which similar deductions were allowed by the AO. Considering the fact that the General Manager of the assessee was not feeling well at that time, we are pleased to grant an opportunity even though the Ld.CIT(A) had decided the appeals on merits. There is no doubt that the assessee had not participated in the appeal proceedings and therefore if one more opportunity is granted, no prejudice

would be caused to the respondent and in fact the issue will be decided on merits after hearing both the parties.

8. Considering the said facts, we are inclined to grant an opportunity to the assessee for appearing before the Ld.CIT(A) and therefore we are setting aside the orders of the Ld.CIT(A) in respect of the quantum appeal as well as the penalty appeal and directed the Ld.CIT(A) to decide both the appeals simultaneously after hearing the assessee and in accordance with law.

9. In the result, both the appeals filed by the assessee are allowed for statistical purposes.

Order pronounced in the open court on 16th February, 2026.

Sd/-
(PRASHANT MAHARISHI)
Vice – President

Sd/-
(SOUNDARARAJAN K.)
Judicial Member

Bangalore,
Dated, the 16th February, 2026.
/MS /

Copy to:

- | | |
|---------------|------------------------|
| 1. Appellant | 2. Respondent |
| 3. CIT | 4. DR, ITAT, Bangalore |
| 5. Guard file | 6. CIT(A) |

By order

Assistant Registrar,
ITAT, Bangalore