

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

SHRI G. MANJUNATHA, HON'BLE ACCOUNTANT MEMBER
AND
SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER

आयकर अपीलसं./I.T.A.Nos.1253 and 1254/Hyd/2025
(निर्धारण वर्ष/ **Assessment Years 2012-2013 & 2014-2015**)

M/s. MVR Projects Pvt. Ltd., Hyderabad. PIN – 500 034. PAN : AAECM4280F	<i>vs.</i>	The Income Tax Officer, Ward 16(4), And The DCIT, Circle-16(2), Hyderabad.
(Appellant)		(Respondent)

Assessee by	:	Srinavya Adabala, Advocate
Revenue by	:	Sri Siva Prasad SV, Sr. AR
Date of Hearing	:	02.03.2026
Date of pronouncement	:	04.03.2026

ORDER

PER MANJUNATHA G., A.M :

The above two appeals by the assessee are directed against the separate Orders both dated 30.11.2018 of the learned CIT(A)-4, Hyderabad, for the assessment years 2012-2013 and 2014-2015.

2. At the outset, there is a delay of 2345 days in filing the above appeals before the Tribunal. The assessee filed petitions for condonation of delay along with affidavits explaining the reasons contending, *inter alia*, that the appeal could not be filed within the period of limitation due to miscommunication and misguidance with the appointed learned counsel regarding the case proceedings to the assessee. Further, the Appellant, relied entirely on the learned counsel and the company's internal accounting staff for updates and developments, was under the bona fide impression that the proceedings were being diligently pursued and attended. In addition to that, the part time Accountant, Mr. Pedditi Gopal Reddy who was managing the accounts of the Appellant's Company and dealt with Appointed Counsel unfortunately fell gravely ill during the Covid-19 pandemic period and passed away which led to a breakdown in the flow of communication between the assessee and their legal representative. The assessee only

found out that the appeal was dismissed much later, upon making a proactive inquiry with the Counsel regarding the long-pending matter. It was then that the Counsel informed the assessee that the appeal had been dismissed by the ITAT because no one had appeared on the hearing dates. Further, the learned CIT(A) also noted the very same that in the impugned order that *"It is to be noted that during the course of appeal proceedings, inspite of several opportunities accorded, neither the appellant nor the AR responded or appeared to the hearing notices and has not furnished submissions in respect of the grounds raised."* Srinavya Adabala, Advocate-learned Authorised Representative of the Assessee, therefore, submitted that, the dismissal of appeal of the assessee by the learned CIT(A) is only because of non- appearance but not on merits of the case. The learned Authorised Representative of the Assessee submitted the non-appearance was neither willful nor deliberate, but was solely the result of an unfortunate miscommunication between the assessee

and the appointed learned Counsel, who had been entrusted with handling the case. Furthermore, the Company has faced severe financial difficulties because of suspension of business activities, inability to retain key personnel, and liquidity issues that lead the company inability to manage and monitor ongoing legal matters, including the appellate proceedings. The combined effect of these unforeseen circumstances led the appellant to unavoidable delays in complying with statutory obligations, including the filing of the present appeal. The learned Authorised Representative of the Assessee has submitted that as soon as the management came to know about the same, it has taken immediate steps for filing the appeal on 31.07.2025 with a delay of 2345days from the due date of filing of appeal i.e., 29.01.2019. The learned Authorised Representative of the Assessee submitted that the assessee was prevented by a 'reasonable and sufficient cause' in filing the appeal within stipulated time as laid down under section 253(3)

of the IT Act, 1961 and the delay in filing the appeal of 2345 days was beyond the control of the assessee. The learned Authorised Representative of the Assessee, accordingly, pleaded that the delay may please be condoned in the interest of substantial justice since the circumstances were beyond the control of the assessee.

3. Sri Siva Prasad SV, learned Sr. AR for the Revenue, on the other hand, strongly opposed for condonation of delay and submitted that, the assessee could not explain reasons for delay in filing appeal before the Tribunal with 'sufficient and reasonable cause' and submitted that, the reasons explained by the assessee are general in nature. He, therefore submitted that, the delay condonation petition filed by the assessee should be dismissed in the interest of justice.

4. We have heard both the parties and considered relevant reasons given for condonation of delay. We find that reasons explained by the assessee in its affidavit for the delay in filing the appeal before the Tribunal within the prescribed

date, are vague and general in nature and the assessee has failed to show 'sufficient and reasonable cause' for condonation of delay. We observe that, during the course of assessment proceedings and during the appellate proceedings before the learned CIT(A) also, the assessee could not substantiate its case by producing necessary documentary evidence as called for. Therefore, the Assessing Officer made the addition which has been sustained by the learned CIT(A). This shows the negligent attitude of the assessee in prosecuting its case before the lower authorities. Further, the reasons explained by the assessee for not filing the appeal before the Tribunal within the time, are vague and general in nature which shows the lackadaisical approach of the assessee in filing the appeals before the Tribunal. Further, the assessee has failed to show 'sufficient and reasonable cause' which are beyond the control of the assessee that are prevented in not filing the appeal before the Tribunal within the prescribed period.

6. Further, the argument of the appellant that, appeal could not be filed due to circumstances beyond the

control of the assessee, is not convincing to us going by the conduct of the assessee and facts present before the Tribunal. No doubt, it is an admitted legal position of law from the decision of various Courts including the decision of Hon'ble Supreme Court in the case of Collector, Land Acquisition vs., MST. Katiji & Ors. [1987] 167 ITR 471 (SC) that, generally, the Courts have adopted a very liberal approach in construing the phrase 'sufficient cause' used in section 5 of the Limitation Act, in order to condone the delay, to enable the Courts to do substantial justice and apply law in a meaningful manner, which subserves the ends of justice. The Courts further noted that, in adhering the liberal approach in condoning the delay for 'sufficient cause' ordinary litigant does not stand benefit by lodging an appeal late and it is not necessary to explain every day's delay in filing the appeal and since, sometimes refused to condone the delay, result in thrown out a meritorious matter. Therefore, it is, in the interest of justice, that cause of substantial justice should be allowed to prevail upon technical consideration and if the delay is not deliberate, it should be condoned.

Notwithstanding the above, howsoever, liberal approach is adopted in condoning the delay, existence of 'sufficient cause' for not filing the appeal in time, is a condition precedent for exercising the discretionary power of the Court to condone the delay. The phrases 'liberal approach', justice-oriented approach' and cause for the advancement of 'substantial justice' cannot be employed to defeat the law of limitation so as to allow stale matters or as a matter-of-fact dead matter to be revived and re-opened by taking aid of Section 5 of the Limitation Act. Therefore, it must always be borne in mind that, while construing 'sufficient cause' in deciding an appeal under section 5 of the Limitation Act, on the expiry of the period of limitation prescribed for filing the appeal, substantive right in favour of the appellant accrues and this right should not be lightly disturbed.

7. The law of limitation is founded on public policy. It is enshrined in the legal maxim "*interest reipublicae ut sit finis litium*" i.e., it is for the general welfare that, the period of limitation be put to litigation. The object is to put an end to every legal remedy and to have a fixed period of life for every

litigation as it is futile to keep any litigation or dispute pending indefinitely. Every public policy requires that there should be an end to the litigation, otherwise, it would be a dichotomy if the litigant is made immortal vis-a-vis the right in parties i.e., human beings were mortals. Therefore, considering the importance of limitations provided under the statutes must be understood in this context. The Income Tax Act, 1961 provided for limitation for filing appeals before various authorities including the Tribunal. Further, the Act has also provided a discretionary power to the Authorities for condoning the delay, if 'sufficient cause' is made out with reasonable explanation. Therefore, while condoning the delay, the Authorities must keep in mind the importance of limitation provided under various statutes and the discretionary power conferred by the said statute keeping in mind the phrase 'sufficient and reasonable cause'.

8. In the present case, going by the affidavits filed by the assessee for explaining the reasons, the assessee claims that, it could not file the present appeals before the Tribunal due to unfortunate miscommunication between the assessee

and the appointed learned Counsel who had been entrusted with handling the cases are not convincing and the said reasons given by the assessee are vague and general in nature, without any substance and failed to take timely steps to file the appeals before the Tribunal and, therefore, the argument of the assessee that due to the above reasons, the appeals before the Tribunal could not be filed within the time, is not acceptable. Further, in our considered view, the 'sufficient cause' for condonation of delay under section 5 of the Limitation Act is a cause that prevents an appellant from filing the appeal or application within the prescribed time limit and is beyond their control and not due to negligence or inaction. In the present case, going by the facts available on record, it is purely on account of inaction or negligence of the assessee the instant appeals could not be filed within the time allowed under the Act before the Tribunal and this fact is further strengthened by the conduct of the assessee before the authorities below where the assessee did not appear before the learned CIT(A) when the case was listed for hearing. Therefore, we are of the considered view that, the

reasons given by the assessee for the delay in filing of the appeals, does not come under 'sufficient cause' and for this reason, the inordinate delay of 2345 days in filing the present appeals cannot be condoned.

9. At this stage, it is relevant to consider the Judgment of Hon'ble Supreme Court in the case of Pathapati Subbareddy (died) repled. 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 High Court 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 explained 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". 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 appeals, admittedly, although, the assessee has filed its returns of income for the assessment year 2012-2013 on 29.09.2012 admitting Rs. NIL income and for the assessment year 2014-2015 declaring a total loss of Rs.(-)50,023/- on 30.03.2016. Both the appeals were selected for scrutiny under CASS and the Assessing Officer has issued statutory notices u/sec.143(2) and 142(1) Income Tax Act [in short "the

Act"],1961 calling for the explanation with supporting documentary evidence. For the assessment year 2012-2013 the assessee has shown unsecured loans to the tune of Rs.17,79,17,091/- and in response to the notices, the assessee furnished evidence only to the extent of Rs.15,34,17,091/-. Therefore, the Assessing Officer made addition to the balance sum of Rs.2.45 crores u/sec.68 of the Act. Similarly, for the assessment year 2014-2015 the assessee has shown unsecured loans to the tune of Rs.7,44,99,975/-. Despite various notices, the assessee could not substantiate its case by furnishing minimum details like PAN/return of income of the lender and bank account details reflecting the related transactions. Therefore, the Assessing Officer has made addition of Rs.7,44,99,975/- on account of unexplained credits u/sec.68 of the Act as the assessee failed to prove the creditworthiness, genuineness of the transaction and identity of the creditors. During the course of appellate proceedings before the learned CIT(A), despite several notices being issued by the

learned CIT(A) u/sec.250 of the Act, the assessee did not file its reply/submissions with supporting documentary evidences to substantiate its claim. Therefore, in the absence of necessary details, the learned CIT(A) has confirmed the Order of the Assessing Officer for both the assessment years under consideration. Further, once again the assessee has shown negligence in filing the present appeals before the Tribunal which is evident from the inordinate delay of 2345 days in filing the appeals before the Tribunal. From the conduct of the assessee right from filing of appeal before the learned CIT(A) and the Tribunal, the assessee has shown negligence. Therefore, from the above conduct of the assessee, it appears that, the reasons given for delay in filing of the appeals in its affidavits is not bonafide. As we have already stated in earlier part of this order that, the Hon'ble Supreme Court in the case of Balwant Singh (Dead) vs., Jagdish Singh & Ors. (supra), has clearly held that, Court must also take into account conduct of the parties, bonafide

reasons for condonation of delay, whether such day could easily be avoided by the applicant acting with normal care and caution. In the present case, going by the facts available on record, the appellant could have avoided the delay in filing of the appeals had it been shown little care and caution in income tax matters. Since the appellant has shown casual approach and negligence in pursuing their cases before the Authorities including filing appeals before the Tribunal, in our considered view, the reasons given by the appellant for delay in filing of the instant appeals cannot be condoned for the said reasons.

11. Further, u/sec.253(5) of the Income Tax Act, 1961, such powers can be exercised only upon showing sufficient cause preventing the assessee from filing the appeals within the prescribed period. In the present case, the delay involved is 2345 days which is highly inordinate. The reasons adduced by the assessee are general in nature and did not inspire confidence. The explanation lacks specific dates, supporting evidence or

cogent material to demonstrate bonafides. It is well settled by the decision of Hon'ble Supreme Court yet in another decision in the case of O/o. Chief Post Master General & Ors. vs., Living Media India Ltd., & Anr. [2012] 348 ITR 7 (SC) that, Law of Limitation has to be applied with all its rigor and liberal approach cannot be extended to cases of gross negligence or inaction.

12. In this view of the matter and considering the facts and circumstances of the case, we find that, the assessee has failed to explain delay and the circumstances beyond the control of the assessee in not filing the appeals before the Tribunal within the prescribed period with 'sufficient and reasonable cause'. Therefore, by respectfully following the Judgments of Hon'ble Supreme Court in the cases of Pathapati Subbareddy (died) repled. 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

inordinate delay of 2345 days in filing the present appeals before the Tribunal and accordingly, the appeals of the assessee are dismissed *in limine* as un-admitted.

13. In the result, both the appeals of the assessee are dismissed *in limine*. A copy of this common order be placed in the respective case files.

Order pronounced in the Open Court on 04th March, 2026.

Sd/- (RAVISH SOOD) JUDICIAL MEMBER	Sd/- (MANJUNATHA G.) ACCOUNTANT MEMBER
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Hyderabad, dated 04.03.2026

VBP

Copy to:

1.	MVR Projects Pvt. Ltd., Hyderabad – 500 034. C/o. MM Reddy & Co. 4 th Floor, HSR Eden, Road No.2, Banjara Hills, Hyderabad – 500 034. Telangana.
2.	The Income Tax Officer, Ward-16(4), Hyderabad.
3.	The DCIT, Circle-16(2), Hyderabad.
4.	The learned CIT(A)-4, 2 nd Floor, A-Block, IT Towers, AC Guards, Hyderabad – 500 004.
5.	The Pr. CIT-4, Hyderabad
6.	DR ITAT 'B' Bench, Hyderabad
7.	Guard File.

BY ORDER