आयकर अपीलीय अधिकरण, हैदराबाद पीठ

IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'B ' Bench, Hyderabad

श्री रविश सूद,न्यायिक सदस्य एवं श्री मधुसूदन सावड़िया लेखा सदस्य समक्ष|

Before Shri Ravish Sood, Judicial Member
A N D
Shri Madhusudan Sawdia, Accountant Member

आ.अपी.सं /**ITA No. 2100/Hyd/2026**
(निर्धारण वर्ष/Assessment Year: 2016-17)

Shri Murugaiah Althuri CHITTOOR PAN:AZAPA0931B	Vs.	Income Tax Officer Ward-1 Chittoor
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by:	Shri K.A. Sai Prasad, CA	
राजस्व द्वारा/Revenue by:	Shri K. Prasad, Sr. AR	
सुनवाई की तारीख/Date of hearing:	17/09/2026	
घोषणा की तारीख/Pronouncement:	16/10/2026	

ORDER

Per Madhusudhan Sawdia, A.M.:

This appeal is filed by Shri Murugaiah Althuri ("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 30.09.2025 for the A.Y. 2016-17.

2. At the outset, it is observed that there is a delay of 198 days in filing the present appeal before this Tribunal. The assessee has filed a condonation petition along with an affidavit explaining the reasons for the delay. The Learned

Authorized Representative ("Ld. AR") submitted that the assessee is a government teacher who, owing to the nature of his employment, was frequently transferred from one place to another. The assessee was not conversant with online income-tax proceedings and was dependent upon tax consultants for compliance with income-tax matters. He submitted that, acting upon incorrect professional advice, the assessee had pursued a revision petition also under section 264 of the Income Tax Act, 1961 ("the Act") before the Learned Principal Commissioner of Income Tax, Tirupati. Subsequently, upon obtaining advice from another tax consultant, the assessee withdrew the revision petition and immediately thereafter filed the present appeal before the Tribunal. The Ld. AR submitted that the delay was neither deliberate nor intentional but arose from the aforesaid circumstances.

3. The Ld. AR further submitted that the assessee's only source of income during the year under consideration was salary of Rs. 6,45,261/-, which was duly reflected in Form 26AS and on which tax had already been deducted by the employer. However, the Assessing Officer ("AO"), in the assessment order dated 19.03.2022, adopted the salary income at Rs. 55,77,032/-. He submitted that the resulting demand was disproportionately high in relation to the assessee's actual salary income. The assessee, being a government employee with limited means, would suffer severe hardship if the appeal were dismissed on limitation without

examining the correctness of the assessed income. Accordingly, he prayed that the delay be condoned and the appeal be admitted for adjudication on merits.

4. Per contra, the Learned Departmental Representative ("Ld. DR") vehemently opposed the condonation of the inordinate delay of 198 days. He submitted that the assessee had also failed to respond during the assessment proceedings and that such conduct did not warrant a liberal approach. Accordingly, he prayed that the appeal be dismissed as barred by limitation.

5. We have heard the rival submissions and perused the material available on record. The explanation furnished by the assessee is that he is a government teacher, was frequently transferred, lacked familiarity with online income-tax proceedings and depended upon professional assistance. It has further been explained that, under mistaken professional advice, he also pursued a revision petition under section 264 of the Act before the Learned Principal Commissioner of Income Tax, Tirupati, and, upon receiving subsequent advice, withdrew that petition and filed the present appeal. The Ld. AR has also highlighted the substantial difference between the salary income stated to be reflected in Form 26AS at Rs. 6,45,261/- and the salary income adopted in the assessment at Rs. 55,77,032/-. The principal objection of the Ld. DR is that the delay is substantial and that the assessee's failure to participate in the assessment proceedings demonstrates a lack of diligence.

6. We have carefully considered these competing submissions. The delay of 198 days is undoubtedly substantial and cannot be condoned merely on the ground that the assessee would otherwise face a tax demand. Nevertheless, the length of the delay has to be considered along with the explanation offered and the surrounding circumstances. In the present case, the assessee's pursuit of revision proceedings supports his explanation that he was attempting to seek redress against the assessment, though through an alternative remedy pursued under mistaken advice. His dependence upon professional assistance, lack of familiarity with online proceedings and frequent transfers also require consideration cumulatively. Having regard to these circumstances and the explanation furnished in the affidavit, we are satisfied that the delay was not a deliberate attempt to disregard the appellate process.

7. The objection of the Ld. DR regarding the assessee's non-compliance during the assessment proceedings is relevant and cannot be overlooked. Such non-compliance, however, does not, by itself, warrant rejection of the explanation furnished for the delay in filing the appeal. Further, the substantial discrepancy in salary income pointed out by the Ld. AR calls for examination on merits. Without expressing any opinion on the correctness of that contention, we consider that, in the peculiar facts of the present case, the interests of substantial justice would be served by permitting adjudication of the appeal on merits. At the same time, the

assessee's lack of due diligence warrants the imposition of costs. Accordingly, we condone the delay of 198 days and admit the appeal for adjudication on merits, subject to the assessee depositing a sum of Rs. 2,000/- in the Prime Minister's National Relief Fund within 30 days from the date of receipt of this order.

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

> *"1. The Order of the learned Commissioner of Income Tax (A) is not correct cither on facts or in law and in both.*
>
> *2. a) The learned CIT'(A) erred in law and on facts in dismissing the appeal as barred by limitation without adjudicating the grounds raised on merits, thereby rendering the impugned order unsustainable in law.*
>
> *b) The learned CIT(A) erred in law in dismissing the appeal in limine without granting an effective opportunity to explain the delay and without considering the settled principle that substantial justice should prevail over technicalities, thereby rendering the impugned order unsustainable in law.*
>
> *3) The learned CIT(A) erred in upholding the assumption of jurisdiction under sections 147/148, despite the reassessment being initiated on the basis of incorrect and unverified information alleging salary income of Rs.55,77,032/- without any tangible material establishing its accrual or receipt by the appellant.*
>
> *4. The learned CIT(A) erred in confirming the addition of Rs.55,77,032/- without appreciating that Form No. 26AS contained rectification and reversal entries and reflected net salary receipts of only Rs.6,45,261/- rendering the addition factually incorrect and unsustainable in law.*
>
> *5. The learned CIT(A) erred in law in not appreciating that notice under section 14B dated 29.03.2021 was neither duly served upon the appellant nor digitally authenticated in accordance with law, consequently, the reassessment proceedings are void ab initio and liable to be quashed.*
>
> *6. The appellant craves leave to add, amend, modify, rescind, supplement or alter any or more grounds of appeal*

stated herein above either before or at the time of hearing of this appeal."

9. The brief facts of the case are that the assessee is an individual employed as a government teacher and had not filed any return of income for the assessment year 2016-17. The AO initiated reassessment proceedings under section 147 of the Act and issued notice under section 148 of the Act dated 29.03.2021. The assessee neither filed a return of income in response to the said notice nor complied with the subsequent notices issued during the assessment proceedings. Consequently, on the basis of the information available on record, the AO completed the assessment under section 147 read with sections 144 and 144B of the Act vide order dated 19.03.2022, determining the total income under the head "Salaries" at Rs. 55,77,032/-.

10. Aggrieved with the order of the AO, the assessee preferred an appeal before the Ld. CIT(A). However, there was a delay of 142 days in filing the appeal before the Ld. CIT (A). The Ld. CIT(A) declined to condone the delay and dismissed the appeal in limine as barred by limitation.

11. Aggrieved by the said order of the Ld. CIT (A), the assessee is in appeal before this Tribunal. The Ld. AR submitted that the assessee, owing to incorrect professional guidance, was confused as to whether he should file an appeal before the Ld. CIT(A) or pursue a revision petition under section 264 of the Act before the Learned Principal Commissioner of Income Tax. This uncertainty regarding the

appropriate remedy resulted in the delay of 142 days in filing the appeal before the Ld. CIT(A). He submitted that the delay was neither deliberate nor intentional and prayed that the same be condoned.

12. On the merits of the assessment, the Ld. AR submitted that the assessee's only source of income during the year under consideration was salary of Rs. 6,45,261/-, on which tax of Rs. 22,836/- had already been deducted by the employer. Both the salary income and the tax deducted at source were reflected in Form 26AS. However, the AO adopted salary income at Rs. 55,77,032/-, resulting in a substantial and disputed enhancement of income. He further submitted that, since the assessment had been completed ex parte, the matter may be restored directly to the file of the AO for fresh adjudication on merits after examining the relevant records and supporting evidence.

13. Per contra, the Ld. DR opposed the condonation of delay before the Ld. CIT(A), submitting that the assessee had failed to establish sufficient cause and had also remained non-compliant during the assessment proceedings. He therefore supported the dismissal of the appeal on limitation. In the alternative, he submitted that the Revenue had no objection if the matter was restored to the file of the AO for fresh adjudication.

14. We have heard the rival submissions and perused the material available on record. The explanation furnished by the assessee for the delay of 142 days before the Ld. CIT(A) is

that, owing to incorrect professional guidance, he was uncertain whether to pursue an appeal or seek revision under section 264 of the Act. The Ld. AR has also pointed out that the salary income reflected in Form 26AS was Rs. 6,45,261/-, against which the AO assessed salary income at Rs. 55,77,032/-, and has requested restoration of the matter to the AO. The principal objection of the Ld. DR is that sufficient cause has not been established and that the assessee's non-compliance during the assessment proceedings reflects a lack of diligence. However, he has expressed no objection to restoration of the matter to the AO if the delay is condoned.

15. Having considered the explanation and the surrounding circumstances, we find that the delay arose from mistaken professional guidance and uncertainty regarding the appropriate statutory remedy. The assessee is a government teacher who depended upon professional assistance in pursuing the matter. In these circumstances, the explanation cannot be rejected merely because the assessee ultimately filed an appeal after the prescribed period. While the assessee ought to have acted with greater diligence, the circumstances explained do not indicate that the delay was deliberate or intended to secure any advantage. We are satisfied that the explanation constitutes sufficient cause for the delay of 142 days. The assessee's failure to comply with the notices during the assessment proceedings, as highlighted by the Ld. DR, cannot be overlooked. Nevertheless, such non-compliance does not, by itself, displace the explanation furnished for the

subsequent delay in filing the appeal before the Ld. CIT(A). Further, although the merits of the dispute cannot independently justify condonation, the substantial difference between the salary income claimed by the assessee and the income assessed reinforces the need for an effective examination of the relevant material once sufficient cause for the delay has been established. Accordingly, we condone the delay of 142 days in filing the appeal before the Ld. CIT(A) and set aside the dismissal of the appeal on limitation.

16. As regards the assessment, the assessee claims salary income of Rs. 6,45,261/- and tax deducted at source of Rs. 22,836/-, as reflected in Form 26AS, whereas the AO determined salary income at Rs. 55,77,032/-. This substantial difference requires verification of the salary records, Form 26AS and other relevant evidence. Since the assessment was completed ex parte, the AO had no occasion to examine the assessee's explanation and supporting documents. Considering the nature of the dispute, the request of the Ld. AR and the alternative submission of the Ld. DR, we consider it appropriate to restore the matter directly to the file of the AO for fresh adjudication. Accordingly, we set aside the order of the Ld. CIT(A) and restore the assessment to the file of the AO for fresh adjudication in accordance with law, after examining the material already available on record and the documents and explanations to be furnished by the assessee. The AO shall verify the actual salary income and the corresponding tax

deducted at source and determine the total income after providing the assessee a reasonable opportunity of being heard. The assessee shall cooperate with the proceedings and furnish the requisite details without seeking unnecessary adjournments.

17. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the Open Court on 16th October, 2026.

Sd/-	Sd/-
(RAVISH SOOD) **JUDICIAL MEMBER**	**(MADHUSUDAN SAWDIA)** **ACCOUNTANT MEMBER**

Hyderabad, dated 16th October, 2026.

Vinodan/sps

Copy to:

S.No	Addresses
1	Shri Murugaiah Althuri, C/o Katrapati & Associates, 1-1-298/2/B/3 Sowbhagya Avenue Apartments, 1st Floor, Ashoknagar, Street No.1 Hyderabad 500020
2	Income Tax Officer, Ward-1,10-251 Gandhi Road, Chittoor
3	Pr. CIT, Tirupati
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order