आयकर अपीलीय अधिकरण, विशाखापत्तनम पीठ, विशाखापत्तनम
INCOME TAX APPELLATE TRIBUNAL,
VISAKHAPATNAM BENCH, VISAKHAPATNAM

BENCH: SMC

BEFORE RAVISH SOOD, HON'BLE JUDICIAL MEMBER
AND
SHRI MADHUSUDAN SAWDIA, HON'BLE ACCOUNTANT MEMBER

ITA 728/VIZ/2026 (निर्धारण वर्ष/Assessment Year: **2019-20**)		
VENKATESH CHOWDARI YANTRAPRAGADA 2-137, CHERUVU DAGGARA, CHAGALLU MANDALAM, CHIKKALA, NIDADAVOLE-534305, ANDHRA PRADESH	**Vs.**	**INCOME TAX OFFICER, WARD - 1, TANUKU** 35-29-2, SAJJAPURAM, TANUKU-534211, ANDHRA PRADESH
अपीलार्थी **Appellant**		प्रत्यर्थी **Respondent**
Permanent Account Number of Assessee:		**AXXPY5854C**
अपीलार्थी द्वारा/Appellant represented by:	**Shri PVVNS Chaitanya, CA (Hybrid)**	
प्रत्यर्थी द्वारा/Respondent represented by:	**Shri A.P. Babu, Sr-AR**	

सुनवाई की तारीख / Date of conclusion of hearing:	**13-October-2026**
घोषणा की तारीख / Date of pronouncement:	**16 -October-2026**

आदेश / ORDER

PER RAVISH SOOD, JM:

The present appeal filed by the assessee is directed against the order passed by the Commissioner of Income Tax (Appeals), NFAC (for short, "CIT(Appeals)"), dated 24.04.2026, which in turn arises from the assessment order passed by the Assessing Officer (for short, "AO") under Section 147 r.w Section 144 r.w Section 144B of the Income-tax Act, 1961

www.taxcode.in

(for short, "the Act"), dated 11.03.2024, for the Assessment Year 2019-20. The assessee has assailed the impugned order on the grounds raised before us.

> "1. The Commissioner of Income Tax (Appeals) ["CIT(A)"] erred in law and on facts in dismissing the appeal solely on the ground of delay in filing appeal without appreciating the sufficient and reasonable cause shown by the Appellant for condonation of delay.
>
> 2. The CIT(A) erred in holding that the Appellant had not provided appropriate reasons for the delay in filing appeal before the CIT(A), ignoring the detailed explanation demonstrating that the delay was neither willful nor due to negligence but arose from bona fide circumstances beyond the control of the Appellant.
>
> 3. The CIT(A) failed to appreciate that the Appellant, being a small agriculturist from a rural background with limited knowledge of tax laws and e-compliance, had reasonable cause for the delay in filing the appeal.
>
> 4. The CIT(A) erred in not considering that the Appellant was unaware of the assessment proceedings and order due to non-receipt of electronic communications handled by a third party, which constitutes a valid and sufficient cause for delay.
>
> 5. The CIT(A) failed to appreciate that the Appellant acted diligently and in good faith immediately upon becoming aware of the assessment order and took steps to seek professional assistance and file the appeal.
>
> 6. The CIT(A) erred in ignoring the settled principle that substantial justice should prevail over technical considerations, especially when no mala fide intention is attributable to the Appellant.
>
> 7. The CIT(A) erred in concluding that the Appellant was negligent, without any material to establish deliberate inaction or lack of bona fides on the part of the Appellant.
>
> 8. The CIT(A) erred in dismissing the appeal in limine without adjudicating the grounds on merits, thereby denying the Appellant a fair opportunity of being heard and causing grave prejudice.
>
> 9. The Appellant craves leave to add, alter, omit or substitute any or all of the above grounds of appeal, at any time before or at the time of appeal.
>
> 10. In light of the above, it is most humbly prayed that the order of the CIT(A) be set aside."

2. Succinctly stated, the AO, on the basis of information available with him that the assessee had furnished a declaration in Form No. 60 in

connection with transactions undertaken with Canara Bank, initiated proceedings under Section 147 of the Act. The aforesaid declaration was stated to be one furnished by a person having agricultural income but not receiving any other income chargeable to income-tax, in respect of transactions specified under Rule 114B of the Income-tax Rules, 1962. As the assessee had not filed his return of income for the year under consideration, the AO initiated reassessment proceedings and issued a notice under Section 148 of the Act dated 28.03.2024. However, the assessee neither responded to the said notice nor filed his return of income in response thereto.

3. During the course of the assessment proceedings, the AO issued notices under Section 142(1) of the Act calling upon the assessee to furnish the requisite details and explanations. However, the assessee failed to comply with the said notices. Accordingly, the AO, in the absence of any response or supporting material from the assessee, proceeded to frame the assessment to the best of his judgment under Section 144 of the Act.

4. On examination of the information available on record, the AO observed that the assessee had made cash deposits aggregating to Rs. 12,32,000/- in his bank account maintained with Canara Bank during the relevant previous year. As the assessee failed to furnish any explanation

www.taxcode.in

regarding the source of the aforesaid cash deposits, the AO treated them as unexplained money under Section 69A of the Act. Accordingly, vide assessment order dated 11.03.2024, passed under Section 147 read with Sections 144 and 144B of the Act, the AO determined the assessee's total income at Rs. 12,300/-.

5. Aggrieved by the assessment order, the assessee preferred an appeal before the CIT(Appeals), along with an application seeking condonation of delay in filing the appeal. The CIT(Appeals), however, did not find favor with the assessee's explanation regarding the reasons for the delay and dismissed the appeal in limine on the ground of limitation, without adjudicating the grounds raised by the assessee on the merits.

6. The assessee being aggrieved by the order of the CIT(Appeals) has preferred the present appeal before us.

7. We have heard the learned representatives of both parties, perused the orders of the authorities below and the material available on record, and considered the judicial pronouncements relevant to the issue under consideration.

8. Shri PVVNS. Chaitanya, C.A., the Ld. The Authorized Representative (for short, “AR”) for the assessee submitted that the CIT(Appeals), without properly appreciating the circumstances leading to the delay in filing the appeal, had dismissed the appeal in limine on the

www.taxcode.in

ground of limitation. Elaborating on his contention, the learned AR submitted that the delay was primarily due to the assessee's regular tax consultant being unversed in the intricacies of the matter and lacking the requisite expertise to pursue the proceedings further. Consequently, the said consultant did not agree to carry the matter forward in appeal. The Ld. AR submitted that the assessee, who came to know about the assessment order only on 26.07.2024, had thereafter, upon realizing that his regular tax consultant was not in a position to pursue the matter further, approached another professional and entrusted him with the matter. The Ld. AR submitted that the newly engaged professional thereafter took the necessary steps for filing the appeal before the CIT(Appeals). It was submitted that although the appeal ought to have been filed on or before 10.04.2024, it was ultimately filed on 02.11.2024, resulting in a delay of 206 days.

9. The Ld. AR contended that the delay in filing the appeal before the CIT(A) had occurred because the assessee was dependent upon his regular tax consultant for pursuing the matter and was required to engage another professional when the former expressed his inability to proceed further owing to his lack of expertise. It was submitted that the delay was neither deliberate nor attributable to any wilful negligence or lackadaisical approach on the part of the assessee, but had occurred owing to bona fide circumstances. The Ld. AR, accordingly, submitted that the CIT(Appeals)

www.taxcode.in

ought to have considered the explanation furnished by the assessee in its proper perspective and adopted a liberal and justice-oriented approach, rather than dismissing the appeal at the threshold. The Ld. AR submitted that the impugned order be set aside and the matter be restored to the file of the CIT(Appeals), with a direction to condone the delay and dispose of the appeal on merits.

10. Per contra, the learned Senior Departmental Representative (for short, "Ld. Sr. DR") opposed the contentions of the Ld. AR. It was submitted that, as the assessee had failed to file the appeal before the CIT(A) within the prescribed period and had not furnished any justifiable reason warranting condonation of the delay, the said first appellate authority rightly dismissed the appeal. The Ld. Sr. DR, accordingly, supported the order passed by the CIT(Appeals) and submitted that the appeal had rightly been dismissed as barred by limitation.

11. We have given our thoughtful consideration to the contentions advanced by the Ld. Authorized Representatives of both parties and perused the material available on record.

12. We find that the issue requiring our indulgence is whether, in the facts and circumstances of the present case, the CIT(Appeals) was justified in refusing to condone the delay in filing the appeal and dismissing

www.taxcode.in

the same without adjudicating the grounds raised by the assessee on merits.

13. As is discernible from the record, it emerges that the delay in filing the appeal before the CIT(Appeals) was primarily attributable to the inability of the assessee's regular tax consultant to pursue the matter further, owing to his lack of the requisite expertise. The assessee was, therefore, required to approach another professional, who thereafter took steps to institute the appeal. We find that the Ld. AR has explained that the assessee who came to know about the assessment order on 26.07.2024 and, upon approaching another professional, ultimately filed the appeal on 02.11.2024.

14. We are conscious of the fact that an assessee is expected to remain vigilant in pursuing the remedies available under law and to file an appeal within the prescribed period of limitation. Although merely engaging a tax consultant does not, by itself, absolve an assessee of the responsibility to pursue his statutory remedies with due diligence, but at the same time, the explanation furnished for the delay has to be examined in the light of the circumstances of the particular case, rather than rejected solely on the ground that the prescribed period of limitation has expired.

15. We find that in the present case, the explanation furnished by the assessee is that his regular tax consultant was unable to pursue the matter

www.taxcode.in

further owing to his lack of expertise, compelling the assessee to engage another professional. Accordingly, it is stated that the time taken to make the necessary arrangements to obtain fresh professional assistance has contributed to the delay. Having regard to the explanation advanced before us, we are of the view that the circumstances leading to the delay required a proper and holistic consideration by the CIT(Appeals). The approach to be adopted while considering an application for condonation of delay has been explained by the **Hon'ble Supreme Court** in **Collector, Land Acquisition, Anantnag v. Mst. Katiji (1987) 167 ITR 471 (SC)**, wherein the Hon'ble Apex Court emphasized that the expression "sufficient cause" should receive a liberal construction so as to enable courts to advance substantial justice by disposing of matters on merits. The Hon'ble Supreme Court observed that, when substantial justice and technical considerations are pitted against each other, the cause of substantial justice deserves to be preferred, provided the delay is not attributable to deliberate conduct, culpable negligence or mala fides. The aforesaid judgment lays down the principle that an application seeking condonation of delay must be considered in a practical and justice-oriented manner, having regard to the explanation furnished and the totality of the circumstances. The power to condone delay is intended to ensure that a matter is not shut out at the threshold merely on technical

grounds, where the circumstances justify an opportunity for adjudication on the merits.

16. We also find support for our aforesaid view from the judgment of the **Hon'ble Supreme Court** in **Vidya Shankar Jaiswal v. Income Tax Officer, Ward-2, Ambikapur, SLP (Civil) Nos. 26310–26311 of 2024, order dated 31.01.2025**. In the aforesaid case, the Income Tax Appellate Tribunal, Raipur Bench, had declined to condone a delay of 166 days in filing the appeal, and the High Court had also declined to interfere with the Tribunal's decision. The Hon'ble Supreme Court held that the Tribunal and the High Court ought to have adopted a justice-oriented and liberal approach by condoning the delay. Accordingly, the Hon'ble Apex Court set aside the impugned orders, condoned the delay in filing the appeal bearing ITA No. 351/RPR/2023 and directed the Tribunal to decide the appeal in accordance with law. The aforesaid decision reinforces the principle that an application seeking condonation of delay must be considered on a justice-oriented, liberal basis, having regard to the explanation furnished and the circumstances of the particular case. The decision also underscores that an appeal should not be denied adjudication on the merits merely by adopting an unduly technical approach to limitation where the circumstances warrant condonation.

www.taxcode.in

17. Applying the aforesaid principles to the facts of the present case, we find that the explanation furnished by the assessee regarding the inability of his regular tax consultant to pursue the matter further and the consequent engagement of another professional ought to have been examined in its entirety by the CIT(Appeals). While the assessee was expected to remain vigilant in pursuing the appellate remedy, the explanation that the delay arose because the professional initially entrusted with the matter was unable to proceed further cannot be summarily brushed aside without considering the circumstances in which the assessee ultimately approached another professional and instituted the appeal.

18. In our considered view, the explanation furnished by the assessee warrants consideration from the standpoint of substantial justice. The dismissal of the appeal solely on the ground of limitation, without examining the grounds raised by the assessee on merits, would deprive him of an opportunity to have his grievance adjudicated by the first appellate authority.

19. We thus, having regard to the principles laid down by the Hon'ble Supreme Court in Collector, Land Acquisition, Anantnag v. Mst. Katiji (supra) and Vidya Shankar Jaiswal v. Income Tax Officer, Ward-2, Ambikapur (supra), are of the considered view that, in the facts and

www.taxcode.in

circumstances of the present case, the CIT(Appeals) ought to have adopted a liberal and justice-oriented approach while considering the application seeking condonation of delay. We, therefore, find merit in the learned AR's contention that the matter deserves to be restored to the file of the CIT(Appeals) for adjudication on the merits.

20. Accordingly, we set aside the impugned order passed by the CIT(Appeals) and restore the matter to his file with a direction to condone the delay in filing the appeal and adjudicate the grounds raised by the assessee on the merits, in accordance with law, after affording him a reasonable opportunity of being heard. However, considering the fact that the failure on the part of the assessee to remain vigilant and file the appeal before the CIT(A) has also contributed to the delay in filing the present appeal, we impose a cost of Rs. 2,000/- on the assessee which the latter shall deposit in the Prime Minister National Relief Fund within 15 days from the date of receipt of this order and furnish a copy of the same with the registry of the Income-tax Appellate Tribunal.

21. Before parting, we make it clear that we have not expressed any opinion on the merits of the addition made by the AO under Section 69A of the Act. The CIT(Appeals) shall independently examine the grounds raised by the assessee, consider the material and explanations furnished by him, and pass a speaking order in accordance with law. The assessee

www.taxcode.in

shall extend full cooperation in the appellate proceedings and furnish the requisite information and supporting documents as may be called for by the CIT(Appeals).

22. In the result, the appeal filed by the assessee is allowed for statistical purposes in terms of our aforesaid observations.

Order pronounced in the open court on 16/10/2026.

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

Hyderabad.
Dated: 16th October, 2026.
OKK/SPS

Copy to:

Copy to:

1	**VENKATESH CHOWDARI YANTRAPRAGADA, 2-137, CHERUVU DAGGARA, CHAGALLU MANDALAM, CHIKKALA, NIDADAVOLE-534305, ANDHRA PRADESH**
2	**INCOME TAX OFFICER, WARD - 1, TANUKU, 35-29-2, SAJJAPURAM, TANUKU, TANUKU-534211, ANDHRA PRADESH**
3	THE PCIT / CIT, VISAKHAPATNAM.
4	THE D.R., ITAT, VISAKHAPATNAM BENCH
5	GUARD FILE

TRUE COPY

ASSISTANT REGISTRAR /
SR. PRIVATE SECRETARY
I.T.A.T., VISAKHAPATNAM

www.taxcode.in