

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

**Before Smt. P. Madhavi Devi, Judicial Member**

*AND*

**Shri A. Mohan Alankamony, Accountant Member**

ITA Nos.122/Hyd/2016		
Assessment Year: 2010-11		
Dy. Commissioner of Income Tax, Circle 3(1) Hyderabad	Vs.	M/s. Sanghi Industries Ltd, RR Distt PAN: AAEC5510Q
(Appellant)		(Respondent)
ITA No.834/Hyd/2016 and C.O.No.31/Hyd/2016 (Arising out of ITA No.122/Hyd/2016) AY 2010-11		
M/s. Sanghi Industries Ltd, RR Distt PAN: AAEC5510Q	Vs.	Dy. Commissioner of Income Tax, Circle 3(1) Hyderabad
Revenue by:	Sri Solgy Jose T. Kottaram, DR	
Assessee by:	Sri K.A. Sai Prasad	
Date of hearing:	23/09/2019	
Date of pronouncement:	01/10/2019	

**ORDER**

**Per Smt. P. Madhavi Devi, J.M.**

Both the appeals as well as the Cross Objections are filed against the order of the CIT (A)-Guntur, dated, 24/10/2013.

2. Brief facts of the case are that the assessee company filed its return of income for the A.Y 2010-11 on 23.09.2010 declaring total loss of Rs.2,22,41,970/- under the normal provisions and Rs.19,27,91,633/- u/s 115JB of the Act. The tax liability as per the assessee's own computation was Rs.2,74,18,745/- and after claiming credit of TDS of

Rs.18,14,935/-, the assessee determined its net aggregate liability at Rs.2,56,03,810/-.

3. The assessee filed its return of income without making payment of self-assessment tax. Therefore, the AO initiated the proceedings u/s 221(1) of the Act, by issuing a notice dated 21.01.2011, to show cause as to why the penalty u/s 221(1) should not be imposed for failure to pay taxes. The assessee company, vide letter dated 1.2.2011, submitted that the industry is in financial crunch and requested time to pay the taxes by 14.03.2011. The AO however, held that the tax liability, in question, was admitted by the assessee on its own and it is not the result of an assessment nor is it disputed. Since the assessee did not make payment of advance tax in any of the four quarters and filed the return of income without making payment of self-assessment tax, he held that the provisions of section 221(1) of the Act are attracted. He, therefore, levied penalty equivalent to 25% of the aggregate tax liability which is Rs.64,00,953/- and raised the demand accordingly.

4. Aggrieved, assessee preferred an appeal before the CIT (A), who granted partial relief to the extent of Rs.54,00,953/- and restricted the penalty to Rs.10.00 lakhs. Against the relief granted by the CIT (A), the Revenue is in appeal before us and against the confirmation of the penalty to the extent of Rs.10.00 lakhs, the assessee has also filed the cross objection before us. Thereafter, the assessee has filed the cross appeal in ITA No.834/Hyd/2016. Both the C.O and Cross Appeal are filed with delay of 792 and 892 days respectively.