

आयकर अपीलीय अधिकरण, विशाखापटणम पीठ, विशाखापटणम

**IN THE INCOME TAX APPELLATE TRIBUNAL,
VISA KHAPATNAM BENCH, VISA KHAPATNAM**

श्री वी. दुर्गा राव, न्यायिक सदस्य एवं श्री डि.एस. सुन्दर सिंह, लेखा सदस्य के समक्ष

**BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER &
SHRI D.S. SUNDER SINGH, ACCOUNTANT MEMBER**

**आयकर अपील सं./I.T.A.No.346/Viz/2019
(निर्धारण वर्ष/Assessment Year : 2015-16)**

M/s Sri Ramaa Cotton Ginning
& Oil Mills
D.No.1080/1, Koyavari Palem
Prathipadu Mandal
Guntur
[PAN : ABUFS4920L]

Vs. Income Tax Officer
Ward-2(3)
Guntur

(अपीलार्थी/ Appellant)

(प्रत्यर्थी/ Respondent)

अपीलार्थी की ओर से/ Appellant by
प्रत्यर्थी की ओर से / Respondent by

: Shri G.V.N.Hari, AR
: Shri D.Manoj Kumar, DR

सुनवाई की तारीख / Date of Hearing

: 05.11.2019

घोषणा की तारीख/Date of Pronouncement

: 15.11.2019

आदेश /ORDER

Per Shri D.S.Sunder Singh, Accountant Member :

This appeal is filed by the assessee against the order of the Commissioner of Income Tax (Appeals)-2, Guntur in I.T.A.No.10551/GNT/CIT(A)-2/2017-18 dated 12.03.2019 for the Assessment Year (A.Y.) 2015-16.

2. All the grounds of appeal are related to the disallowance of 1/10th of expenditure of Rs.1,17,36,838/- made by the AO and the Ld.CIT(A) confirmed 1/5th of disallowance. The assessee had claimed the total expenditure of Rs.1,17,36,838/- towards Hamali, freight inwards, repairs and maintenance, wages etc. out of which AO made the disallowance of Rs.11,73,684/- which works out to 1/10th of the total expenditure.

3. Against the disallowance made by the AO, the assessee went on appeal before the Ld.CIT(A) and the Ld.CIT(A) directed the AO to restrict the disallowance to 1/5th of the expenditure which works out to 20% as against the actual disallowance of 10% made by the AO. Against which the assessee filed appeal before this Tribunal.

4. We have heard both the parties and perused the material placed on record. In the instant case, the AO disallowed 1/10th of total expenditure of Rs.1,17,36,838/- in respect of hamali, freight, repairs and maintenance etc. against which the Ld.CIT(A) directed the AO to make the disallowance of 1/5th of the expenditure which works out to 20% which amounts to enhancement of income without giving the enhancement notice, hence, the Ld.AR argued that enhancement by the Ld.CIT(A) without giving the notice is unjustified and accordingly requested to remit the matter back to the file

of the Ld.CIT(A) to readjudicate the issue. We observe from the orders of the Ld.CIT(A) that there appears to be a mistake in the order in enhancing the disallowance of expenditure without giving show cause notice to the assessee. Therefore, we consider it is justified to remit the matter back to the file of the Ld.CIT(A) to readjudicate the issue after giving opportunity to the assessee. Accordingly, appeal of the assessee is allowed for statistical purpose.

5. In the result, appeal of the assessee is allowed for statistical purpose.

Order pronounced in the open court on 15th November, 2019.

Sd/-

Sd/-

(वी.दुर्गा राव)

(V. DURGA RAO)

न्यायिक सदस्य/JUDICIAL MEMBER

विशाखापटणम /Visakhapatnam

दिनांक /Dated : 15.11.2019

L.Rama, SPS

(डि.एस. सुन्दर सिंह)

(D.S. SUNDER SINGH)

लेखा सदस्य/ACCOUNTANT MEMBER

आदेश की प्रतिलिपि अग्रेषित/Copy of the order forwarded to:-

1. निर्धारिती/ The Assessee - M/s Sri Ramaa Cotton Ginning & Oil Mills, D.No.1080/1, Koyavari Palem, Prathipadu Mandal, Guntur
2. राजस्व/The Revenue - Income Tax Officer, Ward-2(3), Guntur
3. The Principal Commissioner of Income Tax-2, Guntur
4. The Commissioner of Income Tax (Appeals)-2, Guntur
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, विशाखापटणम/DR, ITAT, Visakhapatnam
- 6.गार्ड फ़ाईल / Guard file

// True Copy //

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Visakhapatnam