

**IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCHES "A" : HYDERABAD  
(THROUGH VIDEO CONFERENCE)**

**BEFORE SHRI S.S.GODARA, JUDICIAL MEMBER  
AND  
SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

**I.T.A. Nos. 843 & 844/HYD/2019**  
Assessment Year: 2006-07 & 2013-14

Dy.Commissioner of Income Tax, Circle-17(2), HYDERABAD  (Appellant)	Vs	M/s.Zenotech Laboratories Limited, HYDERABAD [PAN: AAFCS6617R]  (Respondent)
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For Revenue : Shri Ashok Kardam, DR  
For Assessee : Shri K.A.Sai Prasad, AR

Date of Hearing : 02-06-2021  
Date of Pronouncement : 03-09-2021

**ORDER**

**PER S.S.GODARA, J.M. :**

These two Revenue's appeals for AYs.2006-07 & 2013-14 arise from the CIT(A)-7, Hyderabad's order(s) dated 26-02-2019 passed in case Nos.0091 & 0093 / CIT(A)-7 / 2018-19, involving proceedings u/s. 271(1)(c) of the Income Tax Act, 1961 [in short, 'the Act']; respectively.

2. At the outset, we notice that these Revenue's appeals suffer from identical delay of 08 days as attributable to the reasons mentioned in the petition(s)/affidavit(s) and on

account of no objection from assessee's side. This delay stands condoned therefore.

3. We now advert to the Revenue's identical sole substantive ground challenging correctness of the CIT(A)'s action deleting Section u/s.271(1)(c) penalty(ies) of Rs.2,51,40,989/- & Rs.2,40,11,400/- imposed in the Assessing Officer's order(s) both dt.29-09-2016; respectively.

4. It transpires during the course of hearing at the outset that the Assessing Officer's corresponding penalty show cause notice(s) dt.31-12-2008 and 31-03-2016; respectively nowhere specified as to whether the assessee had concealed the particulars of income or furnished inaccurate particulars of income. We quote, Hon'ble jurisdictional high court's decision Pr.CIT Vs. Baisetty Revathi [398 ITR 88] (Telangana & AP) and Mohd.Farhan A.Shaikh Vs. DCIT (2021) [125 taxmann.com 253] (Bom) (FB) that such a failure renders the entire penal mechanism as invalid. We therefore uphold the CIT(A)'s action deleting the impugned penalty(ies) on this precise legal issue alone.

5. We lastly acknowledge that although the instant lis is being decided after a period of 90 days from the date of hearing as per Rule 34(5) of the IT(AT) Rules 1963, the same however, does not apply in the covid lockdown situation as per hon'ble apex court's recent directions dated 27-04-2021 in M.A.No.665/2021 in SM(W)C No.3/2020 '*In Re Cognizance for extension of limitation*' making it clear that in such cases where the limitation period (including that prescribed for institution

as well as termination) shall stand excluded from 14<sup>th</sup> of March, 2021 till further orders in above terms.

6. These two Revenue's appeals are dismissed in above terms. A copy of this common order be placed in the respective case files.

*Order pronounced in the open court on 3<sup>rd</sup> September, 2021*

Sd/-  
**(LAXMI PRASAD SAHU)**  
**ACCOUNTANT MEMBER**

Hyderabad,  
Dated: 03-09-2021

TNMM

Sd/-  
**(S.S.GODARA)**  
**JUDICIAL MEMBER**

*Copy to :*

*1.Dy.Commissioner of Income Tax, Circle-17(2), Hyderabad.*

*2.M/s.Zenotech Laboratories Limited, Sy.No.250/252, Turkapally, Shameerpet Mandal, Rangareddy District, Hyderabad.*

*3.CIT(Appeals)-7, Hyderabad.*

*4.Pr.CIT-5, Hyderabad.*

*5.D.R. ITAT, Hyderabad.*

*6.Guard File.*