

**आयकर अपीलीय अधिकरण “बी” न्यायपीठ चेन्नई में।**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“B” BENCH, CHENNAI**

**माननीय श्री एबी टी. वर्की, न्यायिक सदस्य एवं**  
**माननीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य के समक्ष।**  
**BEFORE HON’BLE SHRI ABY T. VARKEY, JM AND**  
**HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**1. आयकर अपील सं. ITA No.1587/Chny/2023**  
**(निर्धारण वर्ष / Assessment Year: 2012-13)**

**2. आयकर अपील सं. ITA No.1588/Chny/2023**  
**(निर्धारण वर्ष / Assessment Year: 2013-14)**

**3. आयकर अपील सं. ITA No.1589/Chny/2023**  
**(निर्धारण वर्ष / Assessment Year: 2014-15)**

<b>Smt. Senniappan Vimala</b> 32/51, Kavundampalayam TVS Nagar, Coimbatore-641 125	<b>बनाम</b> / Vs.	<b>ACIT</b> Corporate Circle-2 Coimbatore.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. <b>AEFPV-8859-P</b>		
(अपीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थीकी ओरसे/ <b>Appellant by</b>	:	Shri S. Sridhar (Advocate)-Ld.AR
प्रत्यर्थीकी ओरसे/ <b>Respondent by</b>	:	Shri Praveen (JCIT) -Ld. DR

सुनवाईकी तारीख/ <b>Date of Hearing</b>	:	14-05-2024
घोषणाकी तारीख / <b>Date of Pronouncement</b>	:	16-05-2024

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeals by assessee for Assessment Years (AY) 2012-13 to 2014-15 arise out of separate orders of learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi

[CIT(A)] all dated 24-11-2023 in the matter of separate assessments framed by Ld. Assessing Officer [AO] u/s. 143(3) of the Act. The sole grievance of the assessee is confirmation of addition of adhoc disallowance of certain expenses. Having heard rival submissions, the appeals are disposed-off as under. The assessee being resident is engaged in manufacturing of bricks.

2. During the course of assessment proceeding of AY 2012-13, the assessee filed financial statements, tax audit report etc. It transpired that the assessee claimed wages for Rs.622.41 Lacs but did not produce any bills or vouchers in support of the same. Consequently, Ld. AO made adhoc disallowance of Rs.61.24 Lacs. Similar assessment was framed for AY 2013-14 wherein Ld. AO made adhoc addition of Rs.50 Lacs. In AY 2014-15, the assessee could not produce books of accounts. Accordingly, Ld. AO disallowed 10% of wage and 25% of transportation expenses and made aggregate disallowance of Rs.221.41 Lacs.

3. The Ld. CIT(A) noted that AO did not point out any deficiency in the books of accounts. The Ld. AO should have examined the books of accounts. Accordingly, Ld. CIT(A) reduced impugned disallowance to 50% in all the three years.

4. It is quite apparent that though the assessee has claimed certain expenditure, it has failed to substantiate the same. The onus was on the assessee to furnish books of accounts and provide requisite details of wages and transportation expenses. Since the assessee failed to do so, Ld. AO made estimated disallowance which has been reduced to 50% in the first appellate order. However, it has rightly been observed by Ld. CIT(A) that the assessee furnished financial statements and no defect was pointed out by Ld. AO in the same. The Ld. AO should have made

further examination. The Ld. AR has placed on record profitability chart for AYs 2009-10 to 2011-12. It could be seen that assessee has earned Gross Profit (GP) of 10.04% in AY 2009-10, 7.67% in AY 2010-11, 6.18% in AY 2011-12. The Net Profit rates for these years are 0.43%, 0.55% & 0.58% respectively. These indices would be vital to ascertain the claim of the assessee. The Ld. AR has submitted that given another opportunity, the assessee is in a position to substantiate the same. Accepting the plea of Ld. AR and keeping in mind the principle of natural justice, we deem it fit to grant another opportunity to the assessee to substantiate its case. Therefore, the issue of adhoc disallowance, in all the three years, stands restored back to Ld. AO for fresh consideration after affording reasonable opportunity of hearing to the assessee. The assessee is directed to substantiate her claim. No other ground has been urged before us.

5. All the appeals stand allowed for statistical purposes.

*Order pronounced on 16<sup>th</sup> May, 2024*

**Sd/-**  
**(ABY T. VARKEY)**  
**न्यायिक सदस्य / JUDICIAL MEMBER**

**Sd/-**  
**(MANOJ KUMAR AGGARWAL)**  
**लेखक सदस्य / ACCOUNTANT MEMBER**

चेन्नई Chennai; दिनांक Dated :16-05-2024  
DS

**आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF