

**आयकर अपीलीय अधिकरण, हैदराबाद पीठ**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**Hyderabad 'SMC' Bench, Hyderabad**

**Before Shri Manjunatha, G. Accountant Member**

आ.अपी.सं / **ITA No.747/Hyd/2024**  
(निर्धारण वर्ष / Assessment Year: 2017-18)

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| Shri Mansoor Basha Court<br>ADONI<br>PAN:AMWPC4315J<br>(Appellant) | Vs. | Income Tax Officer<br>Ward 1<br>ADONI<br>(Respondent) |
| निर्धारिती द्वारा / Assessee by: Shri Shashank Dundu, Advocate     |     |   |
| राजस्व द्वारा / Revenue by: Shri S.P.G. Mudaliar, DR               |     |   |
| सुनवाई की तारीख / Date of hearing: 02/09/2024                      |     |   |
| घोषणा की तारीख / Pronouncement: 02/09/2024                         |     |   |

**आदेश/ORDER**

This appeal filed by the assessee is directed against the order dated 29/11/2023 of the learned CIT (A)-NFAC Delhi, relating to A.Y.2017-18.

2. The brief facts of the case are that the assessee is carrying on the business of wholesale business in agricultural products in the name and style of M/s. C.M. Traders. For the assessment year 2017-2018, the assessee file his return of income and later the scrutiny was picked under CASS. Statutory notices u/s 143(2) and 142(1) of the I.T. Act, 1961 and also a show cause

notice u/s 142(1) of IT Act 1961 were issued to which the submitted the books of accounts and explanation from time to time. Further, an addition of Rs.97,000/- was made on account of cash deposits in SBNs in the bank accounts during the demonetization period. Further, the Assessing Officer disallowed an amount of Rs.75,000/- towards empty gunnies since the assessee had debited an expenditure of Rs.9,15,240/- towards empty gunnies expenses to which assessee had not furnished vouchers. Similar disallowances were made towards ladies coolies (Rs.50,000), Rs.25,000/- disallowance towards lorry freights, disallowance of Rs.81,900/- towards VAT penalties paid and Rs.20,000/- towards pada expenses claimed. Since the assessee failed to produce proper bills/vouchers, the Assessing Officer completed the assessment and assessed the total income of the assessee at Rs.14,73,360/-. Thereafter, the Assessing Officer levied penalty u/s 271AAC(1) of the I.T. Act, 1961.

3. On appeal, the learned CIT (A) dismissed the appeal of the assessee for of want of prosecution as the assessee did not comply with the notices issued by the assessee on several occasions and upheld the penalty levied by the Assessing Officer u/s 271AAC(1) of the I.T. Act, 1961.

4. Aggrieved by the order of the learned CIT (A), the assessee is in appeal before the Tribunal.

5. I have heard both the parties, perused the material available on record and gone through the orders of the authorities below. The learned Counsel for the assessee submitted that the assessee filed an affidavit and explained that the accountant who is looking into tax matters was expired on 2.7.2023 and thus there was no proper compliance either during the course of penalty proceedings or appellate proceedings. Therefore, submitted that the matter may be set aside to the file of the learned CIT (A) to give one more opportunity to the assessee.

6. The learned DR fairly agreed to set aside the issue to the file of the learned CIT (A) for fresh adjudication.

7. I find, the appeal filed by the assessee on additions made by the Assessing Officer is also pending for adjudication before the first appellate authority. Therefore, considering the fact that the appellant could not get sufficient opportunity to explain its case before the learned CIT (A) and also penalty proceedings needs to be disposed off after deciding the quantum appeal filed by the assessee against the additions made by the Assessing Officer, in my view, the issue needs to go back to the file of the learned CIT (A) for fresh adjudication. Thus, I set aside the order of the learned CIT (A) and direct the learned CIT (A) to decide the issue either along with the quantum appeal filed by the assessee or after the outcome of the decision of the first appellate authority on additions made by the Assessing Officer.

7. In the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the Open Court on 2<sup>nd</sup> September, 2024.

Sd/-

**(MANJUNATHA, G.)  
ACCOUNTANT MEMBER**

Hyderabad, dated 2<sup>nd</sup> September, 2024.

*Vinodan/sps*

Copy to:

| S.No | Addresses   |
|------|---|
| 1    | Shri Mansoor Basha Court, Godown No.62, Prop. C.M. Traders, Agricultural Market Yard, Alur Road, Adoni 518301 |
| 2    | Income Tax Officer Ward-1 Aayakar Bhavan, Near RTC Bus Stand, Aspari Road, Adoni 518301                       |
| 3    | Pr. CIT - Kurnool   |
| 4    | DR, ITAT Hyderabad Benches  |
| 5    | Guard File  |

*By Order*