

अपीलीय अधिकरण, इन्दौर न्यायपीठ, इन्दौर

**IN THE INCOME TAX APPELLATE TRIBUNAL
INDORE BENCH, INDORE**

BEFORE SHRI B.M. BIYANI, ACCOUNTANT MEMBER

AND

SHRI PARESH M. JOSHI, JUDICIAL MEMBER

**ITA No. 642/Ind/2024
Assessment Year: 2016-17**

Madhya Bharat International Pvt. Ltd., 630, Usha Nagar Extension Indore	बनाम/ Vs.	NFAC New Delhi, New Delhi
(Appellant / Assessee)		(Revenue / Respondent)
P.A. No. AADCM8494Q		
Assessee by	Ms. Shreya Jain, AR	
Revenue by	Shri Ashish Porwal Sr. DR	
Date of Hearing:	24.07.2025	
Date of Pronouncement:	28.07.2025	

आदेश / ORDER

Per B.M. Biyani, AM:

Feeling aggrieved by order of first-appeal dated 16.07.2024 passed by learned CIT(A), NFAC, Delhi ["CIT(A)"], which in turn arises out of penalty-order dated 22.01.2022 passed by the learned National Faceless Assessment Centre, Delhi ["AO"] u/s 271(1)(c) of the Income-tax Act, 1961 ["the Act"] for assessment-year ["AY"] 2016-17, the assessee has filed this appeal on the grounds as mentioned in Appeal-Memo (Form No. 36).

2. Heard the learned Representatives of both sides and case-record perused.

3. Ld. AR for assessee briefly summarized the facts of case like this : For AY 2016-17 under consideration, the assessment of assessee was completed by Ld. AO u/s 147 r.w.s. 144 vide assessment-order dated 24.09.2021 after making an addition of Rs. 1,33,00,000/- u/s 56(2)(viib) in respect of share application money. Thereafter, vide penalty-order dated 22.01.2022, the Ld. AO also imposed penalty of Rs. 43,97,379/- u/s 271(1)(c) *qua* the addition of Rs. 1,33,00,000/- made in assessment-order. Against aforesaid assessment-order, the assessee filed appeal before CIT(A) and the CIT(A) has already decided assessee's appeal vide order dated 25.10.2024, a copy of the order is placed on record. Drawing our attention to Para No. 5.5 & 6 of this order of CIT(A), Ld. AR demonstrated that the CIT(A) has set aside the aforesaid assessment-order dated 24.09.2021 and remanded case back to AO for a fresh assessment on *de novo* basis. Ld. AR's limited prayer in this situation is such that when the assessment-order stands set aside to the file of AO for a fresh adjudication, the penalty-order imposing penalty u/s 271(1)(c) *qua* the addition made in assessment-order, should also be restored at the level of AO for a fresh adjudication based on outcome of fresh assessment-order.

4. Ld. DR fairly agreed to the submission and prayer of Ld. AR.

5. In view of the above facts and submissions of parties, we remand this penalty-matter to the file of AO for a fresh adjudication on the basis of outcome

of fresh assessment-order. Needless to mention that before finalizing penalty-matter, the AO shall give a fresh opportunity to assessee and consider assessee's submissions.

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

Order pronounced in open court on 15/07/2025

Sd/-
(PARESH M. JOSHI)
JUDICIAL MEMBER

Sd/-
(B.M. BIYANI)
ACCOUNTANT MEMBER

Indore; दिनांक Dated : 15/07/2025

Patel/Sr. PS

Copy to: Assessee/AO/Pr. CIT/ CIT (A)/ITAT (DR)/Guard file.

By order
Sr. Private Secretary, Indore