

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 623/Coch/2025
Assessment Year: 2017-18**

Pulikkottil Jacob Tojy Appellant
Pulikkottil Building Materiala
Athani P.O., Thrissur 680771
[PAN: ABHPT9585F]

vs.

The Income Tax Officer, Ward-2(5), Thrissur Respondent

Assessee by: Smt. Mini Candran, CA
Revenue by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 28.10.2025
Date of Pronouncement: 29.10.2025

ORDER

This appeal filed by the assessee is directed against the order of the Id. Commissioner of Income Tax (Appeals)-2, Mumbai [CIT(A)] dated 02.07.2025 for Assessment Year (AY) 2017-18.

2. Brief facts of the case are that the appellant is an individual dealing in the business of cement and building materials. The return of income for AY 2017-18 was filed on 08.02.2018 declaring income of Rs. 16,68,360/-. Against the said return of income, the assessment was completed by the Income Tax Officer, Ward 2(5), Thrissur (hereinafter called "the AO") vide order dated 30.12.2019 passed u/s. 143(3) of the Income Tax Act, 1961 (the Act) at a total

income of Rs. 45,09,899/-. While doing so, the AO made adhoc disallowance of expenditure claimed on account of delivery expenses, salary, discount and Coolie expenditure aggregating to Rs. 28,41,539/-.

3. Being aggrieved, an appeal was filed before the CIT(A) contending that no adhoc disallowance can be made without rejecting the books of account and merely on the ground that the expenditure is unreasonable. However, the CIT(A) confirmed the action of the AO vide the impugned order.

4. Being aggrieved, the appellant is in appeal before this Tribunal in the present appeal.

5. The learned counsel for the assessee contended that no expenditure can be disallowed merely on the ground that the expenditure is unreasonable and excessive placing reliance on certain judicial precedents. All the expenditures are supported by vouchers.

6. On the other hand, the learned Sr. DR opposed the above submissions of the appellant.

7. I heard the rival contentions and perused the material available on record. The only issue that arises for my consideration is whether the CIT(A) was justified in confirming the adhoc disallowance made by the AO. On a mere perusal of the order passed by the CIT(A) it

would be evident that the first appellate authority merely confirmed the action of the AO by passing a cryptic order without meeting the contentions of the appellant. The approach adopted by the CIT(A) is arbitrary, unreasonable and against the principles of natural justice. Therefore, I remand the matter back to the file of the CIT(A) for fresh disposal of the appeal on merits after affording reasonable opportunity of hearing to the appellant.

8. In the result, the appeal filed by the assessee stands partly allowed for statistical purposes.

Order pronounced in the open court on 29th October, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 29th October, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin