

आयकर अपीलिय अधिकरण, 'ए' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'A' BENCH, CHENNAI
श्री धुव्वुरु आर.एल रेड्डी, न्यायिक सदस्य एवं श्री जी. मंजुनाथा, लेखा सदस्य के समक्ष
Before Shri Duvvuru RL Reddy, Judicial Member &
Shri G. Manjunatha, Accountant Member

आयकर अपील सं./I.T.A. No. 2990/Chny/2019
निर्धारण वर्ष/Assessment Year: 2016-17

Shri Sunil Bansal,
No. 61, Ethiraj Salai, Erkuncherry,
Chennai 600 118.

The Income Tax,
Vs. Non Corporate Circle 6(3),
Chennai.

[PAN:AACPA7601B]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : None
प्रत्यर्थी की ओर से/Respondent by : Shri G. Chandrababu, Addl. CIT
सुनवाई की तारीख/ Date of hearing : 11.01.2021
घोषणा की तारीख /Date of Pronouncement : 19.02.2021

आदेश /O R D E R

PER DUVVURU RL REDDY, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order of the Id. Commissioner of Income Tax (Appeals) 5, Chennai, dated 21.08.2019 relevant to the assessment year 2016-17. The only effective ground raised in the appeal of the assessee is that the Id. CIT(A) has erred in confirming the disallowance of ₹.3,43,437/- towards interest paid to Sales Tax Department for delay in payment of VAT.

2. Brief facts of the case are that the assessee filed the return of income for the assessment year 2016-17 on 01.09.2016 admitting total income of ₹.9,56,.380/-. The case was selected for scrutiny and the assessee filed the

details as called for against statutory notices. On perusal of the profit and loss account, the Assessing Officer noticed that the assessee has claimed an interest of ₹.21,54,748/-. The breakup for the interest paid was called for and on examination, the Assessing Officer found that the assessee has shown an interest of ₹.3,43,437/- under narration VAT a/c. As this claim of interest is not allowable, the Assessing Officer disallowed the same and added to the total income of the assessee. On appeal, since the assessee has not represented the case, the Id. CIT(A) confirmed the addition.

3. On being aggrieved, the assessee is in appeal before the Tribunal. None appeared on behalf of the assessee when the appeal was taken up for hearing. The RPAD notice sent to the assessee returned "unserved". Hence, we proceeded to decide the appeal after hearing the Id. DR.

4. We have heard the Id. DR, perused the materials available on record and gone through the orders of authorities below. The Assessing Officer disallowed the interest claimed by the assessee on the ground that the same is not allowable. However, the Assessing Officer has not mentioned any section under which the same is not allowable. Before the Id. CIT(A), the AR of the assessee sought for adjournment and the case was adjourned to 20.08.2019. However, there was no response from the assessee either in the form of personal attendance or filed any written submissions. Thus, the

Id. CIT(A) confirmed the addition by passing exparte order. In the appellate order, the Id. CIT(A) has not mentioned issuance of any second notice or so. To meet the ends of natural justice, we are of the considered opinion that the assessee should be given meaningful opportunity of being heard to represent his case before the Id. CIT(A). Accordingly, we set aside the order of the Id. CIT(A) and remit the matter back to his file for fresh adjudication after considering the details as may be submitted by the assessee in accordance with law by affording sufficient opportunities of being heard to the assessee.

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

Order pronounced on the 19th February, 2021 in Chennai.

Sd/-
(G. MANJUNATHA)
ACCOUNTANT MEMBER

Sd/-
(DUVVURU RL REDDY)
JUDICIAL MEMBER

Chennai, Dated, 19.02.2021

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to: 1. अपीलार्थी/Appellant, 2. प्रत्यर्थी/ Respondent, 3. आयकर आयुक्त (अपील)/CIT(A), 4. आयकर आयुक्त/CIT, 5. विभागीय प्रतिनिधि/DR & 6. गार्ड फाईल/GF.