

आयकर अपीलिय अधिकरण, 'बी' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'B' BENCH: CHENNAI**

श्री धुव्वुरु आर.एल. रेड्डी, न्यायिक सदस्य एवं  
श्री जी. मंजूनाथा, लेखा सदस्य के समक्ष  
**BEFORE SHRI DUVVURU R.L. REDDY, JUDICIAL MEMBER AND**  
**SHRI G. MANJUNATHA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.2166/Chny/2018  
निर्धारण वर्ष /Assessment Year: 2014-15

Shri S. Manivannan,  
No.6, 5<sup>th</sup> East Cross Road,  
Gandhi Nagar,  
Vellore-632 006.

**vs.** The Dy. Commissioner-  
of Income Tax,  
Circle-I, Vellore.

[PAN: AAIPM 0054 C]  
(अपीलार्थी/**Appellant**)

(प्रत्यर्थी/**Respondent**)

अपीलार्थी की ओर से/ Appellant by : Mr.T.Vasudevan, Adv.  
प्रत्यर्थी की ओर से /Respondent by : Mr.Suresh Periasamy, JCIT  
सुनवाई की तारीख/Date of Hearing : 27.01.2021  
घोषणा की तारीख /Date of Pronouncement : 10.03.2021

**आदेश / ORDER**

**PER DUVVURU RL REDDY, JUDICIAL MEMBER:**

The assessee filed this appeal against the order of the Commissioner of Income Tax (Appeals)-13, Chennai, in ITA No.16/CIT(A)-13/2014-15 dated 31.05.2018 for the AY 2014-15. Besides challenging the confirmation of levy of penalty of Rs.6,51,980/- u/s.271(1)(c) of the Act in the grounds of appeal, the Id.Counsel for the assessee vehemently agitated the **ex parte** order passed by the Ld.CIT(A).

2. Brief facts of the case are that the assessee has filed return of income for the AY 2014-15 declaring total income at Rs.7,19,59,380/-. The case

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was selected for scrutiny under CASS. The assessee has offered interest income under the head "other sources" for Rs.77,75,811/-and has claimed expenses under section 57 of the Act. During the scrutiny proceedings, the AO has asked the assessee to furnish the details towards interest receipt with evidences. The assessee there after filed revised statement of income admitting at Rs.98,85,785/- instead of Rs.77,75,811/- as admitted in original computation. Thus, the difference of Rs.21,09,974/- was brought to tax. Subsequently, the AO initiated penalty proceedings u/s.271(1)(c) of the Act.

3. On being aggrieved, the assessee is in appeal before the Tribunal. The Id.Counsel for the assessee has submitted that during the course of appellate proceedings, the assessee has filed an adjournment petition, which was not considered by the Ld.CIT(A) and decided the penalty appeal ***suo motu*** without giving an opportunity to the assessee to represent his case before the appellate authority and prayed for setting aside the order passed by the Ld.CIT(A). On the other hand, the Ld.DR dutifully supported the order of the authorities below.

4. We have heard both the parties, perused the materials available on record and gone through the orders of authorities below.

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5. On perusal of the appellate order, we find that the assessee has filed adjournment letter and the Ld.CIT(A) has not granted adjournment and decided the penalty appeal based on the information given in the statement of facts and grounds of appeal. Thus, it is a fact that the assessee was not given proper opportunity to represent the case against the levy of penalty during the course of appellate proceedings, since the Ld.CIT(A) has rejected the adjournment petition of the assessee. Under the above facts and circumstances, we set aside the appellate order and remit the matter back to the Ld.CIT(A) with a direction to afford the opportunity of being heard to the assessee and decide the penalty appeal in accordance with law.

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

Order pronounced on the 10<sup>th</sup> day of March, 2021, in Chennai.

**Sd/-**  
(जी. मंजूनाथा)  
(G. MANJUNATHA)  
लेखा सदस्य/ACCOUNTANT MEMBER

**Sd/-**  
(धुव्वुरु आर.एल. रेड्डी)  
(DUVVURU R.L. REDDY)  
न्यायिक सदस्य/JUDICIAL MEMBER

चेन्नई/Chennai,  
दिनांक/Dated: 10<sup>th</sup> March, 2021.  
TLN

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