

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH: 'B' NEW DELHI**

**BEFORE MS SUCHITRA KAMBLE, JUDICIAL MEMBER
AND
DR. B. R. R. KUMAR, ACCOUNTANT MEMBER**

**ITA No. 4052/DEL/2018 (A.Y 2014-15)
(THROUGH VIDEO CONFERENCING)**

Sanjay Sawhney C/o SSAR & Associates, CAs, 4852/24, 1 st Floor, Near Sanjivan Hospital, Ansari Road, Darya Ganj, New Delhi ABNPS4554P (APPELLANT)	Vs	ITO Ward-34(3) Room No. 608, E-2, Block, Civic Centre, Minto Road, New Delhi (RESPONDENT)
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Appellant by	Sh. Sachin Jain, CA
Respondent by	Sh. Javed Akhtar, CIT DR

Date of Hearing	11.10.2021
Date of Pronouncement	14.10.2021

ORDER

PER SUCHITRA KAMBLE, JM

This appeal is filed by the assessee against the order dated 18/01/2018 passed by CIT(A)-12, New Delhi for Assessment Year 2014-15.

2. The grounds of appeal are as under:-

“1. That both the lower authorities grossly erred in law in making and sustaining the assessment order u/s 143(3) of the Act. The assessment order passed and sustained by both the authorities deserves to be quashed since the same is not in accordance with Law.

2. That under the facts and circumstances of the case, both the lower authorities grossly erred in making and sustaining the addition of Rs. 14,46,945/- u/s 57(iii) of the Income Tax Act, 1961.”

3. The assessee is a proprietor of M/s Blessing Hospitality which is engaged in the business of hospitality services. Income Tax Return declaring net

taxable income at Rs. 3,50,400/- was filed on 29/11/2014 for Assessment Year 2014-15. The Assessing Officer disallowed Rs. 14,46,945/- which were claimed as interest against the interest on income u/s 57(iii) of the Act.

4. Being aggrieved by the assessment order, the assessee filed appeal before the CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. The Ld. AR submitted that the CIT(A) has passed ex-parte order and matter may be remanded back to the file of the CIT(A) and the CIT(A) after giving proper opportunity of hearing to assessee, pass the appropriate order on merit.

6. The Ld. DR relied upon the assessment order and the order of the CIT(A).

7. We have heard both the parties and perused the material available on record. It is pertinent to note that the CIT(A) has passed the order without taking cognizance of the assessee's submissions and not granting any opportunity of hearing to the assessee or his counsel. It is an ex-parte order. Therefore, we are remanding back the issues contested herein to the file of the CIT(A) for proper adjudication on merits as per law. Needless to say, the assessee be given opportunity of hearing by following principles of natural justice. The appeal of the assessee is partly allowed for statistical purpose.

8. In result, the appeal of the assessee is partly allowed for statistical purpose.

Order pronounced in the Open Court on this 14th Day of October, 2021

**Sd/-
(B. R. R. KUMAR)
ACCOUNTANT MEMBER**

**Sd/-
(SUCHITRA KAMBLE)
JUDICIAL MEMBER**

Dated: 14/10/2021
R. Naheed

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI