

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "SMC" DELHI**

BEFORE SHRI PRADIP KUMAR KEDIA, ACCOUNTANT MEMBER

I.T.A. No. 3395/DEL/2023
Assessment Year 2014-15

Himanshu Bhardwaj WZ-446, Sri Nagar Shakur Basti Delhi.	Vs.	ITO Ward-44(1) New Delhi
TAN/PAN: ARFPB1073J (Appellant)		(Respondent)

Appellant by:	Shri Subhash Gupta, ITP		
Respondent by:	Ms. Kirti Sankratyayan, Sr.DR		
Date of hearing:	02	01	2024
Date of pronouncement:	02	01	2024

ORDER

PER PRADIP KUMAR KEDIA-A.M. :

The captioned appeal has been filed by the assessee against the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi ('CIT(A)' in short) dated 24.05.2022 arising from the assessment order dated 27.03.2019 passed by the Assessing Officer (AO) under Section 271(1)(c) of the Income Tax Act, 1961 (the Act) concerning AY 2014-15.

2. The grounds of appeal raised by the assessee read as under:

"1. On the facts and circumstances of the case the Ld CIT(A) was not justified in confirming penalty of Rs 54762/- imposed by AO on Unsecured Loan Rs.365000/- as the addition on Unsecured Loan Rs 365000/- was deleted by ITAT.

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Therefore CIT(A) passed the order without application of judicial mind against the principal of natural justice with applicant. The LD CIT(A) as erred in confirming penalty of Rs 54762/- imposed by AO on Unsecured Loan Rs 365000/- as the addition on Unsecured Loan Rs 365000/-was deleted by ITAT. On the facts and circumstances of the case and has not appreciated the facts evidences submission made by the appellatant in correct perspective.

3. When the matter was called for hearing, the ld. counsel for the assessee submitted that the imposition of penalty of Rs.54,762/- arises from the additions in the quantum proceedings. The additions of the quantum proceedings stands deleted by the Co-ordinate Bench of Tribunal in ITA No.2362/Del/2019 order dated 29.04.2022. The ld. counsel thus submitted that the very edifice for sustaining the penalty under Section 271(1)(c) has ceased to exist and consequently urged for suitable relief.

4. The ld. DR for the Revenue did not offer any comments.

5. I straightaway find merit in the case made out on behalf of the assessee. Since, the relief has been granted in the quantum proceedings, the consequential penalty in question imposed under Section 271(1)(c) does not hold any water.

6. In the light of the order of the Tribunal in quantum proceedings referred in the preceding paragraphs, the Assessing Officer is directed to delete the penalty.

7. In the result, the appeal of the assessee is allowed.

Order was pronounced and dictated in the open Court on 02/01/2024

Sd/-

**[PRADIP KUMAR KEDIA]
ACCOUNTANT MEMBER**

DATED: /01/2024

Prabhat