

IN THE INCOME TAX APPELLATE TRIBUNAL "DB" BENCH, RANCHI

BEFORE SHRI PARTHA SARATHI CHAUDHURY, JM
AND

SHRI PRABHASH SHANKAR, AM

ITA No. 135/RAN/2023

(Assessment Year: 2014-15)

**Maa Sharda Endeavor
Private Limited**

C/o P.S. Paul & Co.,
Chartered Accountants,
Unit No307, Shrilok
Complex, 4, H.B. Road,
Ranchi-834001, Jharkhand

(Appellant)

PAN No. AADCG0046J

Dy. Commissioner of
Income Tax, Central
Vs. Circle, Jamshedpur-
831001, Jharkhand

(Respondent)

Assessee by : None

Revenue by : Shri Pranob Kumar Koley, DR

Date of hearing: 03.09.2024

Date of pronouncement : 03.09.2024

ORDER

PER BENCH, AM:

01. This appeal emanates from the appellate order passed by the Commissioner of Income-tax (Appeals) [the learned CIT (A)], Patna, relating to penalty order u/s 271(1)(c) of the Income-tax Act, 1961 (the Act) as passed by the Dy. Commissioner of Income Tax, Central Circle, Jamshedpur.
02. The only point of contention is the penalty imposed u/s 271(1)(c) of the Act. The assessee has claimed that the learned CIT (A) was not justified in upholding the penalty order.
03. The facts of the case are that search and survey operation u/s 132A and /133A of the Act was conducted on 28th

November, 2019 along with other cases of Gyan Chandra Jaiswal group. The assessment was completed on 21st September, 2021, assessing the total income of ₹7,07,130/- against the return income of ₹5,87,280/-. The additional income of ₹1,90,850/- was assessed as unaccounted expenses. Penalty proceedings were initiated u/s 271(1)(c) of the Act. It is noticed that notices issued by the learned Assessing Officer in the case of penalty proceedings were not complied by the assessee. Further, even before the learned CIT (A) there was no compliance as the appellant neither appeared personally or through his Authorized Representative nor submitted any written submission. The learned CIT (A) decided the appeal in ex-parte manner and confirmed the penalty order as passed by the learned Assessing Officer.

04. Now, the assessee is in further appeal before us. However, when the appeal was called out, there was no representation from the assessee. On the other hand, Id. Sr. DR relied on the orders of the authorities below and submitted that the assessee did not bother to comply with the notices issued by the Id. AO and CIT(A). The assessee failed to substantiate its case either before the authorities below by furnishing relevant materials either in the course of assessment or the appellate proceedings. Therefore, the Id. Sr. DR submitted that the AO has rightly imposed penalty which the Id.CIT(A) has correctly affirmed.
05. We have carefully considered the case. The Id. AO has claimed that despite several notices issued for allowing opportunity of hearing to the assessee during penalty



proceedings, there was no compliance. The Id. CIT(A) has also held that there was no substantive compliance from the assessee to explain his case even before him. Although the assessee did not appear before us also, it is in the fitness of things to allow a last opportunity of hearing to the assessee to explain the matter before lower authorities in the interests of justice and fairplay, the appeal needs to be set aside for de novo adjudication.

06. During the hearing, the Bench proposed for restoration of the matter to the Id.CIT(A) for a de novo consideration. The Revenue did not vehemently oppose this plea. Thus, in the in the interest of justice, we deemed it appropriate to allow the appeal for statistical purposes, emphasizing the need for a thorough and compliant adjudication process. The Id. CIT(A) shall give proper and adequate opportunity of being heard to the assessee in accordance with principles of natural justice in the set aside remand proceedings for de novo adjudication of the appeal of the assessee filed before him. Needles to state the assessee will comply with notices and any details sought by the appellate authority

07. **In the result, the appeal is allowed for statistical purposes.**

Order pronounced on 03.09.2024.

Sd/-
(PARTHA SARATHI CHAUDHURY)
(JUDICIAL MEMBER)

Sd/-
(PRABHASH SHANKAR)
(ACCOUNTANT MEMBER)

Ranchi, Dated: 03.09.2024



Sudip Sarkar, Sr.PS

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. PCIT, Jamshedpur
4. Sr.DR, ITAT, Ranchi
5. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Ranchi