

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

सुश्री पद्मावती एस, लेखा सदस्य के समक्ष  
श्री मनु कुमार गिरि, न्यायिक सदस्य एवं

**BEFORE MS. PADMAVATHY S, ACCOUNTANT MEMBER AND  
SHRI MANU KUMAR GIRI, JUDICIAL MEMBER**

आयकर अपील सं./ITA Nos.3303 & 3304/Chny/2025  
निर्धारण वर्ष/**Assessment Years: 2012-13 & 2013-14**

PARASMAL JAIN, No. 75, Prince Paradise, Jermiah Road, Vepery, Tamil Nadu-600007	<b>v.</b>	ACIT, Central Circle 3(1), CHENNAI TAMIL NADU-600034
[ <b>PAN: AIKPJ 9545 R</b> ]		
<b>(अपीलार्थी/ Appellant)</b>		<b>(प्रत्यर्थी/ Respondent)</b>
अपीलार्थी की ओर से/ Assessee by	:	Mr. B. Ramakrishnan, F.C.A.
प्रत्यर्थी की ओर से /Respondent by	:	Ms. Gouthami Manivasagam, Addl. CIT
सुनवाई की तारीख/Date of Hearing	:	22.01.2026
घोषणा की तारीख /Date of Pronouncement	:	27.01.2026

**आदेश / ORDER**

**PER MANU KUMAR GIRI, JM:**

This captioned penalty Appeals filed by the Assessee are directed against the consolidated order of the Ld. Commissioner of Income Tax (Appeals)-19, Chennai [CIT(A)] dated 05.08.2019 for Assessment Years 2012-13 & 2013-14.



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2.1 The registry has noted 2239 days delay in filing these appeals. Ld.AR has filed voluminous paper book pages 1 to 175 relating to medical record of the assessee. Index of paper book is as under:

<b>Sr. No.</b>	<b>Dates</b>	<b>Description of Medical Reports</b>	<b>Page Nos.</b>
1	16.11.2018 to 3.11.2018	Hospital Discharge Summary & Kidney Biopsy Report	1-7
2	09.03.2019 to 23.10.2020	Test Reports	8-12
3	27.10.2020 to 11.11.2020	COVID 19 Prescription & Hospitalization Discharge Summary	13-22
4	14.08.2021 to 22.03.2022	Test Reports of Nephrology	23-86
5	05.04.2022	Ultrasound Abdomen	87-88
6	05.04.2022	Test Reports of Nephrology	89-94
7	05.04.2022	SARS COV 2 Antibody Reports	95-96
8	05.04.2022	ECG Reports	97-99
9	23.05.2022	Lower Limb Ultrasound	100-101
10	19.08.2022 to 06.11.2025	Test Reports of Nephrology & Other Various Tests	102-175

2.2 The Id. counsel also read out the detailed affidavit of the assessee and pleaded for the condoning the delay in filing the appeals. Ld. counsel for the assessee submitted that the delay was not because of any negligence or malafides but due to sufficient cause which prevented the assessee from filing the appeal in time. It is also contended that though the delay may be of around 2239 days but still the Id.CIT(A) ought to have seen the cause behind such delay and not the length of delay. In support of his contention, he placed reliance on the judgment of the Apex Court in the case of



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Mool Chandra Vs. Union of India and another reported in (2025) 1 SCC 625.

2.3 The Ld. DR vehemently opposed the arguments of the assessee and pleaded for the dismissal of both the appeals as there is enormous delay and are hopelessly time barred.

2.4 Apposite to refer here some cases. The Supreme Court in the case of Inder Singh Vs. State of Madhya Pradesh reported in 2025 INSC 382 has held as under:

“There can be no quarrel on the settled principle of law that delay cannot be condoned without sufficient cause, but a major aspect which has to be kept in mind is that, if in a particular case, the merits have to be examined, it should not be scuttled merely on the basis of limitation.”

Similarly, the Supreme Court in the case of Mool Chandra (supra), has held as under:

“It is not the length of delay that would be required to be considered while examining the plea for condonation of delay, it is the cause for delay which has been propounded will have to be examined. If the cause for delay would fall within the four corners of “sufficient cause”, irrespective of the length of delay same deserves to be condoned. However, if the cause shown is insufficient, irrespective of the period of delay, same would not be condoned.”

In the aforesaid case, the Supreme Court has further held as under:



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“if negligence can be attributed to the appellant, then necessarily the delay which has not been condoned by the Tribunal and affirmed by the High Court deserves to be accepted. However, if no fault can be laid at the doors of the appellant and cause shown is sufficient then we are of the considered view that both the Tribunal and the High Court were in error in not adopting a liberal approach or justice oriented approach to condone the delay.”

2.5 In view of the aforesaid pronouncement of law as well as after going through the reasons assigned for delay in filing these appeals, this Court is of the considered opinion that although a delay cannot be condoned without sufficient cause but the merits of the case cannot be discarded solely on the technical grounds of limitation. A liberal approach should be taken in condoning delays when the limitation ground undermines the merits of the case and obstructs substantial justice.

2.6 Hence, we find that the appellant has been able to put forth “sufficient cause” for the delay in filing both appeals before ITAT. Accordingly, the delay in filing appeals before this ITAT is hereby condoned. We admit both the appeals for adjudication. We further find that the Id.CIT(A) has decided the appeals on merits hence, we also proceed to hear these appeals on merit.



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3. Brief Facts of the case: The appellant is an individual engaged in the business of trading. For the assessment year 2013-14, the appellant filed his valid return of income admitting a total income of Rs.1,11,88,410/- and tax paid u/s 140A of Rs.32,62,118/-. The appellant received notice under Income Tax Act 1961 and thereafter assessment was made by the assessing officer as filed with the return of income u/s.153A and thereafter the penalty proceedings were initiated under section 271(1)(c) of the Income Tax Act.

4. Aggrieved Assessee filed appeals before the Ld.CIT(A). The Ld.CIT(A) vide its order dated 05.08.2019 dismissed both appeals of the Assessee in limine as there was delay of 158 days. He also on merits confirmed the orders of AO on penalties.

5. Now, the aggrieved Assessee is in appeal for both years before this ITAT, Chennai.

6. The Id.AR pointed out G.No.3 of the appeals which is as under:

*For that the learned Commissioner of Income Tax (Appeals) indirectly failed to consider the fact that the initial penalty notice u/s.274 r.w.s 271(1)(c) of the Act dated 31.03.2016 is defective since the Assessing Officer has failed to delete the inappropriate words in the notice relating to whether the notice is issued for concealment of income or for furnishing inaccurate particulars of income.*

He also referred to case laws citations.



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7. Per contra, Id.DR supported the penalty orders and impugned orders.

8. We have carefully considered the rival submissions, perused the material available on record and the judicial precedents relied upon by the Id. AR. The grievance of the assessee in Ground No.3 is that the penalty proceedings initiated u/s 271(1)(c) of the Act are vitiated in law since the notice issued u/s 274 r.w.s. 271(1)(c) dated 31.03.2016 does not specify the exact charge, i.e., whether the penalty is proposed for *concealment of particulars of income* or for *furnishing of inaccurate particulars of income*. It is the contention of the Id. AR that the Assessing Officer has failed to strike off the irrelevant portion in the statutory notice, thereby rendering the notice vague and invalid.

9. On perusal of the penalty notice issued u/s 274 r.w.s. 271(1)(c) dated 31.03.2016 of the Act, we find merit in the submission of the Id. AR that the Assessing Officer has not struck off the inappropriate words in the notice. The notice is in a standard printed format and does not make it clear as to which limb of section 271(1)(c) of the Act has been invoked. It is well settled law that the assessee must be made aware of the exact charge for which penalty proceedings are initiated, so as to enable him to respond effectively. The Hon'ble Karnataka High Court in the case of CIT v. Manjunatha Cotton & Ginning Factory (359 ITR 565) has categorically held that issuance of a notice without specifying the limb under which penalty is



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initiated amounts to violation of principles of natural justice and such penalty proceedings cannot be sustained. The said decision has been affirmed by the Hon'ble Supreme Court in CIT v. SSA's Emerald Meadows (242 Taxman 180), wherein the Special Leave Petition filed by the Revenue was dismissed. Further, various coordinate benches of the Tribunal have consistently followed the above ratio and have held that failure on the part of the Assessing Officer to strike off the irrelevant portion in the notice u/s 274 vitiates the penalty proceedings, irrespective of the merits of the additions made in the assessment.

10. In the present case, though the Id. DR has supported the orders of the lower authorities, he could not controvert the factual position that the notice issued u/s 274 r.w.s. 271(1)(c) is defective and vague. Respectfully following the binding judicial precedents cited supra, we hold that the penalty notice issued in the present case is invalid in law and, consequently, the penalty levied u/s 271(1)(c) of the Act cannot be sustained. Accordingly, the penalty imposed by the Assessing Officer and confirmed by the learned Commissioner of Income Tax (Appeals) is hereby deleted. Ground No.3 raised by the assessee is allowed.



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11. In the result, Appeals filed by the assessee are allowed.

Order pronounced on the 27<sup>th</sup> day of January, 2026 in Chennai.

**Sd/-**  
**(पद्मावती एस)**  
**(PADMAVATHY S)**  
लेखा सदस्य/**ACCOUNTANT MEMBER**

**Sd/-**  
**(मनु कुमार गिरि)**  
**(MANU KUMAR GIRI)**  
न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 27 JANUARY, 2026.

***SNDP***

**आदेश की प्रतिलिपि अग्रेषित/Copy to:**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीय प्रतिनिधि/DR
5. गार्डफाईल/GF