**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

207

ITA-261-2004 (O&M)
Decided on : 12.12.2024

M/s J.R. Solvent Inds. Ltd.

. . . Appellant(s)

Versus

Commissioner of Income Tax, Patiala

. . . Respondent(s)

CORAM: HON'BLE MR. JUSTICE SANJEEV PRAKASH SHARMA
HON'BLE MR. JUSTICE SANJAY VASHISTH

PRESENT: Mr. Abhinav Narang, Advocate
for the appellant – assessee.

Mr. Saurabh Kapoor, Sr. Standing Counsel with
Ms. Pridhi Sandhu, Jr. Standing Counsel
for the respondent – revenue.

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SANJEEV PRAKASH SHARMA, J. (Oral)

1. Admittedly, the appellant – assessee did not file reply to the notice issued under Section 271 of the Income Tax Act, 1961 (in short, 'the Act') for proposing to impose penalty. The notice was issued on 31st March, 1989 was duly served on the assessee.

2. The respondents – revenue again granted additional opportunity of hearing to the assessee to appear for personal hearing on 31.01.1996, but the assessee failed to appear, nor any explanation was submitted as to why the penalty proceedings should not be proceeded with.

3. It is an admitted position that the additions were made by the ITAT, which have been upheld by this Court in further appeal preferred by the assessee.

As the additions have been found to be correct by this Court, the case of the appellant – assessee squarely falls within the provisions of Section 271(1)(c) of the Act, relating to "furnishing the inaccurate particulars of income".

4. While the penalty proceedings under Section 271 of the Act are essentially discretionary and if valid reasons are put-forth, the penalty could have been waived, but in the present case, the appellant – assessee has chosen not to submit any response to the show cause notice nor he has personally appeared in spite of being afforded an opportunity for the said purpose.

Thus, he has himself invited the penalty proceedings. The penalty imposed on the appellant – assessee relating to the concealed income and additions made on account of the bogus purchases, has been imposed is found to be equivalent to that of the evaded tax of a sum of Rs.3,17,154/-.

5. In view thereof, the impugned order dated 24.04.1996, in our opinion does not warrant any interference.

6. Appeal stands dismissed accordingly.

Misc. application(s), if any, also stand(s) disposed of.

(SANJEEV PRAKASH SHARMA)
JUDGE

(SANJAY VASHISTH)
JUDGE

December 12, 2024
J.Ram

Whether speaking/reasoned: Yes/No
Whether Reportable: Yes/No