

IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "H", MUMBAI

BEFORE SHRI PAVAN KUMAR GADALE (JUDICIAL MEMBER)
AND
SHRI GAGAN GOYAL (ACCOUNTANT MEMBER)

I.T.A No.1573 /Mum/2021
(Assessment year : 2011-12)

Ms. Kamla Chandrasingh Kabali 402, 4 th Floor, Spectrum, M.P. Vaidya Road, Off Tilak Road Ghatkopar (E), Mumbai-400 077 PAN : AAMPK9951A	vs	ACIT-27(2), Mumbai
APPELLANT		RESPONDENT

Assessee represented by	Shri Mehul Shah
Department represented by	Shri Tejinder Pal Singh Anand (Sr AR)

Date of hearing	02/03/2022
Date of pronouncement	08/03/2022

O R D E R

Per: Gagan Goyal (AM):

This appeal has been filed by the assessee against the order dated 31/08/2021 passed by the National Faceless Appeal Centre (NFAC), Delhi confirming the penalty levied under section 271F of the I.T. Act, 1961 for the assessment year 2011-121.

2. The brief facts of the case are that the assessee did not file her return of income for the assessment year under consideration. As per ITS information in

NMS module the assessing officer noticed that the assessee had made time deposits of Rs.2,60,00,000/- in bank, acquired mutual fund of Rs.4,00,000/- and earned interest income of Rs.51,61,467/- during the financial year relevant to the assessment year under consideration. In view of this, the assessing officer believed that the income had escaped assessment within the meaning of section 147 of the Act. Accordingly, after recording the reason and seeking prior approval of the Pr.C IT-27, Mumbai under section 151(1), the assessing officer issued notice under section 148. The assessee submitted that assessee had declared in IDS-26 and filed copy of working of taxes in respect of IDS-2016 (assessment year-wise and installment-wise). Except this, the assessee failed to furnish any other details. However, from the officer of the Pr.CIT-27, the assessing officer ascertained that Form 4 was not issued. Therefore, according to the assessing officer, the claim of filing IDS-2016 was invalid as it was not supported by payment of due taxes on the IDS-2016 declaration. The assessing officer, therefore, treated the entire sum of Rs.2,60,00,000/- in bank, mutual fund investment of Rs.4,00,000/- and interest income of Rs.51,61,467/- was treated as unexplained cash credits, in an order dated 18.12.2018 passed u/s 147 r.w.s. 144 of the Income-tax Act, 1961, assessing the total income at Rs.3,15,61,470/-. Further, as the assessee failed to furnish her return of income as required under section 139(1), the assessing officer initiated penalty proceedings under section 271F of the Act. In response to a subsequent opportunity, the assessee explained that the assessee was eligible for immunity as she voluntarily declared income under the IDS 2016. The explanation of the assessee was not found acceptable to the assessing officer. Therefore, he levied a penalty of Rs.5, 000/- under section 271F of the I.T. Act, 1961. On appeal, the NFAC, Delhi confirmed the penalty.

3. Aggrieved, assessee is in appeal before the Tribunal.
4. We have considered the submissions from either side. We find that the claim of the assessee that she has declared income under the IDS 2016 cannot be a tenable explanation as the declaration was not supported by payment of due taxes on the income declared and, therefore, it was an invalid declaration. No other reasonable cause for not filing the return of income is brought to our attention. Therefore, we are of the considered opinion that the authorities below were justified in upholding the levy of penalty under section 271F. We uphold the decision of the NFAC.
5. In the result, appeal filed by the assessee is dismissed.

Order pronounced in the open court on 08th March, 2022.

Sd/-

sd/-

(PAVAN KUMAR GADALE)

JUDICIAL MEMBER

Mumbai, Dt : 08th March, 2022

Pavanan

(GAGAN GOYAL)

ACCOUNTANT MEMBER

/True copy/

Assistant Registrar / Senior Private Secretary
ITAT, Mumbai Benches