

आयकर अपीलीय अधिकरण न्यायपीठ रायपुर में।  
IN THE INCOME TAX APPELLATE TRIBUNAL,  
RAIPUR BENCH, RAIPUR

BEFORE SHRI RAVISH SOOD, JUDICIAL MEMBER  
AND  
SHRI ARUN KHODPIA, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA Nos. 251, 252 & 253/RPR/2022  
निर्धारण वर्ष / Assessment Years : 2012-13, 2013-14 & 2015-16

Kamaljeet Kaur Gill  
Shukla Colony, Raja Talab,  
Raipur (C.G.)-492 001  
PAN : AHKPG7831Q

.....अपीलार्थी / Appellant

**बनाम / V/s.**

The Joint Commissioner of Income Tax,  
Range-3, Raipur (C.G.)

.....प्रत्यर्थी / Respondent

Assessee by : Shri Amit M Jain, Advocate  
Revenue by : Shri Satya Prakash Sharma, Sr. DR

सुनवाई की तारीख / Date of Hearing : 05.09.2023

घोषणा की तारीख / Date of Pronouncement : 06.09.2023

**आदेश / ORDER****PER RAVISH SOOD, JM:**

The captioned appeals filed by the assessee are directed against the respective orders passed by the Commissioner of Income-Tax (Appeals), National Faceless Appeal Center (NFAC), Delhi, dated 25.10.2022 which in turn arises from the order passed by the JCIT, Range-3, Raipur u/s.271E of the Income-tax Act, 1961 (for short 'Act'), dated 28.12.2018 for A.Ys. 2012-13, 2013-14 & 2015-16. As common issues are involved in the appeals mentioned above, the same are being taken up and disposed of together by way of a consolidated order.

2. We shall take up the appeal in ITA No.251/RPR/2022 for the assessment year 2012-13 as the lead matter, and the order therein passed shall apply *mutatis-mutandis* to the remaining cases. The assessee has assailed the impugned order of the CIT(Appeals) on the following grounds of appeal:

“1. On the facts and in the circumstances of the case, the CIT(A), NFAC has erred in confirming the order of the JCIT, Range-3, Raipur, wherein the Joint Commissioner of Income Tax-Range-3, Raipur has erred in imposing penalty of Rs.14,59,688/- u/s.271E of the Income Tax Act, 1961. Thus the order passed by the JCIT, Range-3, Raipur and confirmed by the CIT(A), NFAC is unjustified, unwarranted and uncalled for and deserves to be deleted.

2. The assessee reserves the right to add, amend or alter any ground of appeal at the time of hearing.”

3. Succinctly stated the assessee had filed her return of income for 2012-13, declaring an income of Rs.4,75,290/-. The assessment was thereafter framed in the case of the assessee u/s.143(3) r.w.s. 147 of the Act on 23.12.2017, determining income at Rs.28,35,570/-.

4. During the course of assessment proceedings, it was observed by the A.O. that the assessee had made repayment of loans in cash to M/s.Tata Finance Corporation for the financing of buses, as under:

S. No.	Loan against bus No.	Repayment amount (Rs.)
1.	E-5633	4,23,214/-
2.	E6033	2,95,656/-
3.	E-9733	2,80,750/-
4.	E-8733	4,60,068/-
	<b>Total</b>	<b>14,59,688/-</b>

Based on the information above, the A.O. intimated the JCIT, Range-3, Raipur, about the violation of the provisions of Section 269T of the Act by the assessee.

5. Based on information received from the A.O., the JCIT initiated penalty proceedings u/s. 271E of the Act. Notice u/s.274 r.w.s. 271E of the Act was issued on the assessee on 04.06.2018, wherein she was called upon to put

forth an explanation as to why she may not be saddled with penalty u/s.271E of the Act for having repaid the loans in cash, i.e. in contravention of the mode prescribed under law. In reply, the assessee claimed that as the financier had insisted on cash repayment of loan installments, therefore, for the said reason, she was constrained to make payments in cash to the collection agents of the financier who would issue receipts in lieu thereof. To fortify her aforesaid claim, the assessee submitted a letter dated 05.11.2022 issued by M/s. Tata Finance Corporation Pvt. Ltd., wherein the latter had insisted on repayment of loans in cash. Based on the aforesaid facts, the assessee claimed that as there was a reasonable cause for not making payments through cheques, and she had also remained ignorant of the provisions of section 269T of the Act, therefore, in all fairness, no penalty was liable to be imposed on her.

6. The JCIT, after deliberating on the explanation of the assessee, was not persuaded to subscribe to the same. It was observed by the AO that there was no justification for the assessee to have gone by the instructions of the financiers, which were in contravention of the provisions of section 269T of the Act. Apart from that, it was observed by the JCIT that even if the concerned financiers, considering their experience with the assessee, were not ready to receive the payments from the assessee by cheque, then she could have made the said payments as per the other prescribed modes, i.e., by demand

drafts or electronic transfers as provided in section 269T of the Act. In so far as the claim of the assessee that she was unaware of the mandate of law, it was observed by the JCIT that the said hollow claim of the assessee could not be accepted. The JCIT observed that as the assessee at the relevant point of time was assisted by a Chartered Accountant who had duly audited her books of accounts, her aforesaid claim, thus, did not merit acceptance. Accordingly, the JCIT, based on his deliberations above, being of the view that the assessee had without any reasonable cause repaid the loans in contravention of the provisions section 269T of the Act, therein saddled her with a penalty of Rs.14,59,688/- u/s. 271E of the Act.

7. On appeal, CIT(A), finding no substance in the assessee's contentions, dismissed the appeal.

8. The assessee, being aggrieved with the order of the CIT(A), has carried the matter in appeal before us.

9. We have heard the Id. Authorized Representatives of both the parties, perused the orders of the lower authorities and the material available on record, as well as considered the judicial pronouncements that have been pressed into service by the Learned Authorized Representative (for short 'AR') for the assessee to drive home his contentions.

10. The Ld. AR for the assessee, at the very outset of the hearing of the appeal, had fairly admitted that the issue involved in the present appeal was squarely covered against the assessee by the order passed by Tribunal involving identical facts in the case of her relative viz., Sandeep Kaur Gill Vs. JCIT (Range-3), Raipur (C.G.), ITA No.63/RPR/2022 dated 28.04.2023.

11. Admittedly, it is a matter of fact borne from the record that the assessee during the year under consideration had repaid loans aggregating to Rs.14,59,688/- in cash, as under :-

S. No.	Loan against bus No.	Repayment amount (Rs.)
1.	E-5633	4,23,214/-
2.	E6033	2,95,656/-
3.	E-9733	2,80,750/-
4.	E-8733	4,60,068/-
	<b>Total</b>	<b>14,59,688/-</b>

12. On a perusal of the reply filed by the assessee, it transpires that she had come forth with two reasons for having repaid the loans mentioned above in a manner other than that prescribed u/s. 269T of the Act, viz (i) that as her repayment record was abysmal as the cheques she issued towards repayment of loans in the past were not honored on several occasions;

therefore, the collection agents of the financiers had insisted upon her to make repayment of the monthly loan installments in cash; and (ii) that she was ignorant about the provisions of section 269T of the Act.

13. Before proceeding any further, we deem it fit to cull out the provisions of section 269T of the Act, which reads as under (relevant extract):-

**“269T.** No branch of a banking company or a co-operative bank and no other company or co-operative society and no firm or other person shall repay any loan or deposit made with it [or any specified advance received by it] otherwise than by an account payee cheque or account payee bank draft drawn in the name of the person who has made the loan or deposit[ or paid the specified advance], [or by use of electronic clearing system through a bank account [or through such other electronic mode as may be prescribed].....”

14. On a perusal of the aforesaid statutory provision, the same contemplates the prescribed modes for repayment of a loan exceeding the specified amount, viz (i). vide account payee cheque; (ii). vide account payee bank draft; (iii) use of the electronic system through a bank account; and (iv) through such other electronic mode as may be prescribed. Based on the aforesaid multiple methods of repayment of loan as envisaged in section 269T of the Act, we are of the considered view that even if the financiers, on account of the poor track record of the assessee, were not ready and willing to receive the monthly installments towards repayment of loans from her through cheques, then she could have safely made the said repayments by way of account payee bank drafts or electronic clearing system through her bank account or any other

prescribed electronic mode as provided in Rule 6ABBA of the I.T. Rules, 1962. We are unable to persuade ourselves to subscribe to the explanation of the assessee that as the financiers were not ready to receive the repayment of loans from her vide account payee cheques, therefore, for the said reason, she was compelled to make the said payments in cash.

15. Also, we do not find any substance in the assessee's claim that she was unaware of the provisions of section 269T of the Act. It is a matter of fact borne from the record that the assessee was availing the services of a Chartered Accountant and had got her accounts for the year under consideration audited from him. Considering the aforesaid factual position, and independent of the settled position of law that an assessee cannot be allowed to plead ignorance of the law, we are even otherwise of the considered view that there is no substance and merit in the claim of the assessee that she was oblivion of the modes and manner for repayment of loans as prescribed under section 269T of the Act.

16. Apropos the support drawn by the assessee from the fact that a similar penalty that was imposed in the case of her nephew, viz Shri Ajay Gill, had been vacated by the CIT(A), NFAC, we are of a firm conviction that as the facts involved in every case stand on their independent footing, therefore, her claim above would be of no assistance.

17. Based on our observations above, we are of the considered view that as the assessee had not only failed to comply with the provisions of section 269T of the Act, which therein had rendered her liable for imposition of penalty u/s. 271E of the Act but had also failed to come forth with any reasonable cause which had prevented her from making repayment of the monthly installments of her outstanding loans in a manner prescribed under the law, therefore, finding no infirmity in the imposition of penalty of Rs. 14,59,688/- u/s 271E of the Act by the JCIT, we uphold the same.

18. Resultantly, the appeal filed by the assessee in ITA No.251/RPR/2022 for A.Y.2012-13 is dismissed in terms of our observations above.

**ITA Nos.252 & 253/RPR/2022**  
**A.Ys.2013-14 & 2015-16**

19. As the facts and issues involved in the captioned appeals remain the same as were there before us in the assessee's appeal in ITA No.251/RPR/2022 for assessment year 2012-13, therefore, our order therein passed while disposing off the said appeal shall apply mutatis-mutandis for disposing off the captioned appeals i.e., ITA Nos.252 & 253/RPR/2022 for assessment years 2013-14 & 2015-16. In these cases also, finding no infirmity

in the imposition of penalty u/s 271E of the Act of Rs.15,82,407/- & Rs.22,96,476/-, respectively, by the JCIT, we uphold the same.

20. Resultantly, appeals of the assessee in ITA Nos.252 & 253/RPR/2022 for A.Ys.2013-14 & 2015-16 are dismissed in terms of our observations above.

21. In the combined result, all the captioned appeals of the assessee are dismissed in terms of our observations above.

Order pronounced in open court on 06<sup>th</sup> day of September, 2023.

Sd/-  
**ARUN KHODPIA**  
**(ACCOUNTANT MEMBER)**

Sd/-  
**RAVISH SOOD**  
**(JUDICIAL MEMBER)**

रायपुर/ RAIPUR ; दिनांक / Dated : 06<sup>th</sup> September, 2023

\*\*SB

**आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT(Appeals)-1, Raipur (C.G.)
4. The Pr. CIT, Raipur-1 (C.G)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, रायपुर बेंच,  
रायपुर / DR, ITAT, Raipur Bench, Raipur.
6. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

निजी सचिव / Private Secretary  
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur.