

IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'F' BENCH,
NEW DELHI

BEFORE SHRI N.K. BILLAIYA, ACCOUNTANT MEMBER, AND
MS. ASTHA CHANDRA, JUDICIAL MEMBER

ITA No.2553/DEL/2022
[A.Y. 2018-19]

Pradeep Kumar Mehra
D-328, Anand Vihar,
Delhi-110092
PAN No.ADPPK8135N

Vs.

DCIT
Circle - 58 (1)
Delhi

(Applicant)

(Respondent)

Assessee By : Sh.Pradeep Kumar Mehra, Assessee

Department By : Shri Vivek Vardhan, Sr. DR

Date of Hearing : 20.09.2023

Date of Pronouncement : 21.09.2023

ORDER

PER N.K. BILLAIYA, ACCOUNTANT MEMBER

This appeal by the assessee is preferred against the order dated 23.08.2022 by NFAC, Delhi pertaining to A.Y. 2018-19.

2. The solitary grievance of the assessee is that the CIT(A)/NFAC erred in upholding the penalty of Rs.339194/- levied by the Assessing Officer u/s. 270 A of the Act on account of misreporting of the income.

3. Briefly stated the facts of the case are that the assessee filed his return of income on 25.07.2018 declaring total income of Rs.55,54,190/-. The return was selected for scrutiny assessment through CASS as the information available with the department was that the assessee did not disclose the rental income earned from the foreign immovable property.

4. The Assessing Officer observed that the assessee has rental income from flat at Singapore and the assessee himself admitted that he was earning rental income from flat since A.Y.2017-18.

5. Drawing support from the provisions of section 270 A of the Act the Assessing Officer formed belief that the assessee has under reported his income and is liable to pay penalty in addition to tax and accordingly computed the penalty at 33,9194/- . Assessee agitated the matter before the CIT(A) but without any success.

6. Before us, the ld. counsel for the assessee vehemently stated that the assessee had no malafide intention in under reporting the income as he was under a bonafide belief that as and when he will transfer the rent to India he will show it in return of income. The Counsel prayed for the deletion of the penalty.

7. Per contra the DR strongly supported the findings of the lower authorities.

8. We have given a thoughtful consideration to the orders of the authorities below. The undisputed fact is that the assessee is earning rental income from his flat at Singapore. It is equally not in dispute that the assessee had not shown the rent in his return of income. Had he not received any notice and if his return was not selected for scrutiny assessment the assessee would not have disclosed the rental income. The contention that as and when the rent were transferred to India the assessee would have shown in his return of income does not hold any water in as much as the assessee was well aware of his liability towards income earned globally.

9. Considering the facts in totality we are of the considered view that this is a fit case for the levy of penalty for under reporting the income. Hence, we decline to interfere with the findings of the CIT(A)/ NFAC, the appeal of the assessee is dismissed.

Order pronounced in the open court on 21.09.2023.

**Sd/-
[ASTHA CHANDRA]
JUDICIAL MEMBER**

**Sd/-
[N.K. BILLAIYA]
ACCOUNTANT MEMBER**

Dated: SEPTEMBER, 2023.

Neha

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar,
ITAT, New Delhi