

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR BENCH, NAGPUR

BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER AND
SHRI K.M. ROY, ACCOUNTANT, MEMBER

ITA no.372/Nag./2024
(Assessment Year : 2013-14)

Prajakta Prabhakar Vaidya
Plot no.4, Corporation Colony
North Ambazari Road
Near Gandhinagar Square
Nagpur 440 010 PAN – AEBPV4276N

..... Appellant

v/s

Income Tax Officer
Ward-1(5), Nagpur

..... Respondent

Assessee by : None
Revenue by : Shri Abhay Y. Marathe

Date of Hearing – 09/12/2024

Date of Order – 20/12/2024

ORDER

PER K.M. ROY, A.M.

The present appeal has been filed by the assessee challenging the impugned order dated 25/04/2024, passed by the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, [*learned CIT(A)*], for the assessment year 2013-14.

2. In its appeal, the assessee has raised following grounds:-

"1. In the facts and circumstances of the case and in law, the CIT(A) NFAC has erred in law by upholding the penalty of Rs.93,000/- levied on the

2. In the facts and circumstances of the case and in law, the CIT(A) NFAC has erred in law by upholding the penalty when there was no concealment of income nor any inaccurate particulars were submitted by the assessee."

3. There is no representation made by the assessee.
4. The facts of the case lie in a narrow compass. We have carefully considered grounds of re-opening in assessment order, which is reproduced below:-

"Information has been received from The Pr. CIT-1, Nagpur through Sharing of information that the assessee had invested an amount of Rs.3,00,000/- with Wasankar Group during the FY 2012-13.

On analysis of information available on the record, it is clear that the assessee invested an amount of Rs.3 lacs with Wasankar Group during the year under consideration needs to be verified/investigated its source of investment.

In view of the above, I have a reason to believe that amount invested of Rs. 3,00,000/- with Wasankar Group has escaped assessment for the A.Y. 2013-14 in this case.

5. There can be no re-opening only for the purpose of verification. The assessment itself is fragile and is liable to be demolished. The assessee may not have challenged as she may not have been advised. However, the Assessing Officer also did not make any enquiry to establish the concealed income and had passed the order in a slipshod fashion and had added ₹ 3 lakh under section 69 of the Act without even co-relating the dates of investment. Penalty proceedings are distinct from assessment proceedings. Strict interpretation of penal provisions is required as it is a civil liability for imposing penalty. The imposition of penalty for ₹ 93,000 is unsupportable and directed to be deleted in the peculiarity of circumstances. It has not been demonstrated as to whether investment could have emanated from past savings. Accordingly, the grounds raised by the assessee are allowed.

6. In the result, appeal filed by the assessee is allowed.

Order pronounced in the open Court on 20/12/2024

Sd/-
V. DURGA RAO
JUDICIAL MEMBER

Sd/-
K.M. ROY
ACCOUNTANT MEMBER

NAGPUR, DATED: 20/12/2024

Copy of the order forwarded to:

- (1) *The Assessee;*
- (2) *The Revenue;*
- (3) *The PCIT / CIT (Judicial);*
- (4) *The DR, ITAT, Nagpur; and*
- (5) *Guard file.*

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

Sr. Private Secretary
ITAT, Nagpur