

**IN THE INCOME TAX APPELLATE TRIBUNAL,
MUMBAI BENCH "A", MUMBAI**

**BEFORE SHRI AMIT SHUKLA, JUDICIAL MEMBER
AND
SHRI GIRISH AGRAWAL, ACCOUNTANT MEMBER**

**ITA No.3176/M/2025
Assessment Year: 2012-13**

Shri Sagarmal Sohanlal Jain, M/s. Roopsangam Jewellers, Shop No.6, Omkar Society, M.G. Road, Opp. Railway Station, Dombivli (West) Maharashtra – 421 201 PAN: AATPJ4675K	Vs.	Income Tax Officer, Ward 3(4), Kalyan, Rani Mansion, 2 nd Floor, Murbad Road, Kalyan West, Maharashtra – 421 301
(Appellant)		(Respondent)

Present for:

Assessee by : Shri N.A. Kulkarni, A.R.
Revenue by : Shri Aditya M. Rai, Sr. D.R.

Date of Hearing : 25.06.2025
Date of Pronouncement : 26.06.2025

ORDER

Per : Amit Shukla, Judicial Member:

The aforesaid appeal has been filed by the assessee against order dated 28.04.2025 passed by NFAC, Delhi in relation to the penalty proceedings under section 271(1)(c) of the Act for the assessment year 2012-13. The assessee is aggrieved by the levy of penalty of Rs.34,608/- under section 271(1)(c) of the Act on the

ground that income under the head “Income from House Property” of Rs.1,12,000/- was concealed income.

2. At the outset, it has been stated that the Tribunal in the quantum proceedings has deleted the addition vide order dated 09.07.2024 in ITA No.506/M/2024. Therefore, penalty levied by the AO and confirmed by the Ld. CIT (A) should be deleted.

3. After considering the relevant findings given in the impugned order as well as order of the Tribunal, we find that the decision of the Tribunal was also relied upon by the AO and Ld. CIT (A) in the penalty proceedings. However, both AO and Ld. CIT (A) have held that penalty of Rs.1,12,000/- is different from the addition which has been deleted by the Tribunal.

4. The facts in brief are that in the original return of income the assessee had offered income from house property at Rs.4,62,000/-. After the receipt of notice under section 143(2) of the Act the return was revised on 02.01.2014, wherein the assessee had shown income from house property at Rs.8,20,000/- and after claiming statutory deduction, shown taxable property income of Rs.5,74,000/-. Accordingly, the amount of Rs.1,12,000/- was added by the AO on which the penalty has been levied.

5. However, precisely this issue has been dealt by the Tribunal in the quantum proceedings in para 11 which is reproduced hereunder:

“011. The second issue is with respect to the addition of ₹1,12,000/- which has already been offered to income by the assessee in the revised return filed and therefore, same cannot be added once again. Accordingly, the learned Assessing Officer directed to accept the return of income revised by the assessee on 2nd January, 2014, for the computation of taxable income. Thus, the addition of ₹1,12,000/- is also deserves to be deleted.”

6. Thus, the only addition which was made under the head “Income from House Property” of Rs.1,12,000/- has been deleted and therefore both the AO and the Ld. CIT(A) have grossly erred in holding that the deletion of addition by the Tribunal does not impact the addition in so far as penalty is concerned. Accordingly, the penalty levied by the AO is deleted.

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

Order pronounced in the open court on 26.06.2025.

**Sd/-
(GIRISH AGRAWAL)
ACCOUNTANT MEMBER**

**Sd/-
(AMIT SHUKLA)
JUDICIAL MEMBER**

Mumbai, Dated: 26.06.2025.

* Kishore, Sr. P.S.

Copy to: The Appellant
The Respondent
The CIT, Concerned, Mumbai
The DR Concerned Bench

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By Order

Asstt. Registrar,
ITAT, Mumbai.