

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES: G : NEW DELHI

BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER

ITAs No.1964 to 1966/Del/2025
Assessment Years: 2016-17 to 2018-19

Satyendra Pal Aggarwal,
Khasra No.221 Min, Village
Haiderpur,
Delhi – 110 088.

Vs Addl. CIT,
Range-04,
New Delhi.

PAN: AAEP6275B

(Appellant)

(Respondent)

Assessee by	: Shri Ved Jain, Advocate & Shri Ayush Garg, CA
Revenue by	: Shri N.K. Bansal, CIT-DR
Date of Hearing	: 26.06.2025
Date of Pronouncement	: 09.07.2025

ORDER

PER ANUBHAV SHARMA, JM:

These appeals are preferred by the assessee against the orders dated 21.02.2025 of the Ld. Commissioner of Income-tax (Appeals)-26, New Delhi.

2. At the time of hearing, the ld. AR has pointed out that vide grounds No.2 and 3, the assessee has challenged the impugned orders of penalty imposed u/s 271D/271E of the Income Tax Act 1961 (hereinafter referred as the Act) on the basis that penalty orders have been passed beyond the limitation period u/s 275 of the Act.

3. Here are a case of imposition of penalty arising out of reference made by assessing officer for violation of provisions of Section 269SS of the Act. It comes up that the assessment order u/s 153C of the Act under which the penalty proceedings were initiated was passed on 27.12.2022. The penalty orders are passed u/s 271D for AY 2016-17 and u/s 271E of the Act for AY 2017-18 and 2018-19. Thus provision of Section 275(1)(c) of the Act become applicable and same provides as follows;

271 (C) "in any other case, after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated are completed, or six months from the end of the month in which action for imposition of penalty is initiated, whichever period expires later."

4. Thus as per section 275(1)(c) of the Act, the penalty proceedings were to be completed later of the two periods, first by 31.03.2023, being the period "*after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated are completed*" or second before 30.06.2023 being "*six months from the end of the month in which action for imposition of penalty is initiated*". However, the penalty order has been passed on 31.01.2024. Reliance is rightly placed by the Id. counsel on the decision of the Hon'ble Delhi High Court in the case of ***PCIT vs. Rishikesh Buildcon Pvt. Ltd., Rishikesh Properties Ltd., Rupa Promoters Pvt. Ltd. 2022 (11) TMI 1038, order dated 17.11.2022***, wherein the Hon'ble Delhi High Court has held as under:-

“12. The predecessor bench of this Court in the aforesaid judgments has held that where the AO has initiated the penalty proceedings in his/her assessment order, the said date is to be taken as the relevant date as far as the Section 275(1)(c) of the Act is concerned. In these cases, the quantum proceedings were completed by the AO on 17th/18th December, 2008, and the AO initiated the penalty proceedings in December, 2008, thus, the last date by which the penalty order could have been passed is 30th June, 2009. The six months from the end of the month from which action of imposition of penalty was initiated would expire on 30th June, 2009. However, in this case, admittedly, the penalty order(s) were passed on 29th September, 2009, and therefore, the ITAT rightly concluded that the order(s) were barred by limitation.

13. Consequently, we answer the question of law against the Revenue and in favour of the Assessee by holding that, in the facts and circumstances of the present appeals, the ITAT was correct in law in deleting the penalty imposed by the Additional Commissioner of Income Tax, under Section 271D of the Act, on the ground that the penalty order(s) dated 29th September, 2009, was passed beyond the time period prescribed by Section 275(1)(c) of the Act, the same having been passed after the lapse of six months from the end of the month in which the penalty proceedings were initiated by the AO.”

5. In the light of the aforesaid, the grounds pressed are sustained. The appeals are allowed. The impugned penalty orders stand quashed.

Order pronounced in the open court on 09.07.2025.

Sd/-

(MANISH AGARWAL)
ACCOUNTANT MEMBER

Sd/-

(ANUBHAV SHARMA)
JUDICIAL MEMBER

Dated: 09th July, 2025.

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Copy forwarded to:

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

Asstt. Registrar, ITAT, New Delhi