

IN THE INCOME TAX APPELLATE TRIBUNAL  
MUMBAI BENCH "G", MUMBAI

BEFORE SHRI NARENDRA KUMAR BILLAIYA, ACCOUNT MEMBER AND  
SHRI ANIKESH BANERJEE, JUDICIAL MEMBER

ITA No.3385/Mum/2025  
(Assessment Year: 2014-15)

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| <b>Subhash Silk Mills Limited</b><br>G-15, Prem Kutir, 177 Marine<br>Drive, Marine Lines, Mumbai-<br>400 020<br><b>PAN: AAACS9966J</b> | vs | <b>Joint Commissioner of Income-tax<br/>(OSD), Circle 11(2)(2), Mumbai</b> |
| <b>APPELLANT</b>   |    | <b>RESPONDENT</b>  |

Assessee by : Shri Govind Prasad  
Respondent by : Shri Swapnil Choudhary – Sr AR  
  
Date of hearing : 23/07/2025  
Date of pronouncement : 25/07/2025

**ORDER**

**Per Anikesh Banerjee (JM):**

Instant appeal of the assessee was filed against the order of the National Faceless Appeal Centre (NFAC), Delhi [in short, 'Ld.CIT(A)] passed under section 250 of the Income-tax Act, 1961 (in short, 'the Act'), date of order 14/03/2025. The impugned order was emanated from the order of the Ld. Joint Commissioner of Income-tax (OSD), Circle 11(2)(2), Mumbai (in short, 'the Ld. AO') passed under section 271(1)(c) of the Act, date of order 10/04/2019.

2. The brief facts of the case are that the assessee is a non-filer of Income tax return for the impugned assessment year. The notice of reopening was issued under section 148 of the Act. Thereafter, the assessee company filed its return of income on 13/08/2018 declaring total income amount to Rs.6,89,51,300/- in response to notice U/s 148. The assessment was completed under section 143(3) read with section 147 of the Act and the income was determined at Rs.6,94,48,490/-, after making addition amount to Rs.4,97,187/- on account of 'Income from house property'. The Ld.AO has treated the alleged undisclosed income under "furnishing inaccurate particulars of income" and by invoking provisions of section 271(1)(c) of the Act, penalty of Rs.1,61,315/- being 100% of the tax sought to be evaded was levied. On appeal, the Ld.CIT(A) upheld the impugned penalty order. Being aggrieved, assessee filed an appeal before us.

3. We heard the rival submissions and considered the documents available on the record. The Ld.AR, in argument, stated that he assessee during the filing of the return in response of notice under section 148 of the Act has made mistake and has not declared the income amount to Rs.4,97,187/-. He stated that alleged income was not stated in the Form 26AS. Accordingly, an inadvertent mistake was made in the return of income filed by the assessee. The mistake is not a deliberate one, so the levy of penalty is unjustified.

4. The Ld. DR submitted that the assessee is a non-filer who filed the return of income only in response to the notice issued under Section 148 of the Act. He further contended that, in the said return, the assessee had underreported income to the extent of Rs.4,37,187/-. Accordingly, the Ld. DR fully supported and relied upon the orders passed by the revenue authorities.

5. In our considered view, the assessee was a non-filer and filed the return of income only in response to the notice issued under Section 148 of the Act. It is evident that the assessee underreported income to the extent of Rs.4,37,187/-. This clearly falls within the ambit of “furnishing of inaccurate particulars of income.” Furthermore, in response to the notice under Section 148, the assessee failed to disclose this income in the return, thereby committing an additional default. Considering the income level during the relevant assessment year, the assessee was otherwise liable to file the return under Section 139(1) of the Act, which he failed to do. The concealment of income was detected by the revenue authorities, and the assessee did not file the return voluntarily. Even in the return filed pursuant to the notice under Section 148, the assessee underreported the income.

In view of the above facts, we find that the penalty of Rs.1,63,315/- levied under Section 271(1)(c) of the Act is justified. We do not find any reason to interfere with the impugned appellate order. Accordingly, the penalty is upheld.

4. In the result, the appeal filed by the assessee bearing **ITA No.3385/Mum/2025** is dismissed.

Order pronounced in the open court on 25<sup>th</sup> day of July, 2025.

Sd/-

(NARENDRA KUMAR BILLAIYA)  
ACCOUNTANT MEMBER

Mumbai, दिनांक/Dated: 25/07/2025  
Pavanan

sd/-

(ANIKESH BANERJEE)  
JUDICIAL MEMBER

**Copy of the Order forwarded to:**

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. आयकर आयुक्त CIT
4. विभागीय प्रतिनिधि, आय.अपी.अधि., मुंबई/DR, ITAT,  
Mumbai
5. गार्ड फाइल/Guard file.

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BY ORDER,

(Asstt. Registrar), **ITAT, Mumbai**