



IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES "SMC", PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.2075/PUN/2025

Assessment Year : 2015-16

Vaibhav Dilip Metha, Balaji Furniture, Balaji Nagar,At Post Shrigonda, Tal Shrigonda, Dist. Ahilyanagar – 413701 Maharashtra PAN : BKJPM9021K	Vs.	Income Tax Officer, Ward-2, Ahilyanagar
Appellant		Respondent

Appellant by	:	Shri Prasad S. Bhandari
Respondent by	:	Shri Ajitesh Meena
Date of hearing	:	13.10.2025
Date of pronouncement	:	27.10.2025

आदेश / ORDER

The captioned appeal at the instance of assessee pertaining to Assessment Year 2015-16 is directed against the order dated 12.08.2024 of CIT(A), Pune-11 emanating out of Penalty order dated 03.09.2022 passed u/s.271(1)(b) of the Income Tax Act, 1961.

2. Registry has informed that there is delay of 306 days in filing the instant appeal before this Tribunal. Assessee has filed an affidavit explaining the reasons which led to delay in filing of the appeal.

3. After hearing both the sides and perusing the averments made in the applications, I am satisfied that 'reasonable cause' prevented the assessee to file the appeal within the stipulated time. I note that the delay is not intentional and assessee would not have gained from filing the appeal with a



delay. I therefore in light of judgments of Hon'ble Apex Court Court in the case of *Collector, Land Acquisition, Anantnag & Anr. Vs. Mst. Katiji & Ors. reported in (1987) 2 SCC 107* and in the case of *Inder Singh Vs. State of Madhya Pradesh judgment dated 21.03.2025 (2025 INSC 382)* condone the delay of 306 days in filing of the instant appeal before this Tribunal and admit the appeal for adjudication.

4. Brief facts of the case are that the assessee is an individual and engaged in the business of Mobile Shopee and deriving income therefrom. During the course of search and seizure action u/s.132 of the Act carried out in the case of M/s. Shri Renuka Mata Multi State Urban Cooperative Credit Society Ltd (in short 'RMMS', it was found that huge money was deposited by the assessee in the bank accounts held with 'RMMS' amounting to Rs.29.20 lakh. On verification of the record, ld. AO observed that assessee did not file the return of income for A.Y. 2015-16. Ld. AO therefore has believed that income to the tune of Rs.29.20 has escaped assessment. Accordingly, notices u/s.148 was served on the assessee. In response to the notice, assessee furnished the return of income declaring income of Rs.2,50,268/- but did not disclose the financial transactions entered into. Thereafter, valid statutory notices u/s.143(2) and 142(1) were served on the assessee to which there was no response from the side of assessee. Ld. AO therefore made addition of Rs.36,11,789/- to the returned income.

5. Aggrieved assessee has challenged the finding of ld.CIT(A) confirming the penalty of Rs.50,000/- levied



u/s.271(1)(b) of the Act by ld. AO. Assessee has also raised legal issue by filing additional ground challenging the validity of the penalty proceedings on the ground that the show cause notice issued u/s.274 r.w.s.271(1)(b) of the Act signed by digital signature which stood expired on the date of signing.

6. At the outset, Ld. Counsel for the assessee requested for not pressing the legal issue raised in the Additional Ground. The same is hereby dismissed as 'Not pressed'.

7. So far as the merits of the case are concerned, contention of the ld. Counsel for the assessee is that assessee who is living in rural area was not guided with the tax matter properly. It was advised to the assessee that once the appeal against the quantum addition is decided by ld.CIT(A), then automatically the penalty gets deleted. Therefore, the assessee did not took any action against the impugned penalty order passed by ld.CIT(A). For this reason, there was delay in filing the appeal. Further, ld. Counsel for the assessee submitted that notices u/s.142(1) of the Act on which the impugned penalty has been levied for non compliance were issued during covid-19 pandemic restrictions and therefore the same deserved to be deleted considering the judgment of Hon'ble Apex Court on the limitation *Cognizance for Extension of Limitation In re (2022) 441 ITR 722 (SC)*.

8. On the other hand, ld. DR supported the order of ld.CIT(A).



ITA No.2075/PUN/2025
Vaibhav Dilip Metha

9. I have heard the rival submissions and perused the record placed before me. I observe that the assessee is an individual and assessment proceedings for A.Y. 2015-16 carried out u/s.147 r.w.s.144B of the Act. During the course of assessment proceedings, ld. AO issued notices u/s.142(1) of the Act on 23.11.2021, 27.01.2022, 03.02.2022 and 28.02.2022 and 04.03.2022. From the perusal of the dates of notices, I find that all these notices were issued during covid-19 pandemic outbreak period and there were restrictions on the movement of general public. Almost two years period have been removed out of the limitation period by the Hon'ble Apex Court in the case of *Cognizance for Extension of Limitation In re (2022) 441 ITR 722 (SC)* considering the difficulties faced by the litigants. The assessee has been penalized for not responding to the notices issued u/s 142(1) during assessment proceedings. I find that alleged non compliance is due to Covid-19 pandemic restrictions. Considering the extraordinary circumstances of the Covid-19 pandemic, lockdowns, and the suffering caused, ld.CIT(A) ought to have taken a liberal view in condoning the default. In my view in such circumstances, section 273B of the Act comes to the rescue of the assessee as the assessee has successfully demonstrated that '*reasonable cause*' prevented him from complying to the notices issued u/s.142(1). I therefore, set aside the impugned order and delete the penalty levied u/s.271(1)(b) of the Act at Rs.50,000/-. Accordingly, grounds of appeal raised by the assessee on merits are allowed.



ITA No.2075/PUN/2025
Vaibhav Dilip Metha

10. In the result, the appeal filed by the assessee is partly allowed.

Order pronounced on this 27th day of October, 2025.

Sd/-

(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 27th October, 2025.

Satish

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच,
पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.