

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'F': NEW DELHI**

**BEFORE SHRI SUDHIR PAREEK, JUDICIAL MEMBER
AND
SHRI AVDHESH KUMAR MISHRA, ACCOUNTANT MEMBER**

ITA No.3821/Del/2025
(ASSESSMENT YEAR: 2018-19)

Extensive Trading (P.) Limited C/o RK Chowdhury, Near SR Project Colony, Tumangdugri Moubhandar, West Singhbhum-832103 Jharkhand. PAN-AABCF6150C	Vs.	Income Tax Officer, Ward-9(1), Delhi.
(Appellant)		(Respondent)

Assessee by	Shri Avijit Dey, Adv.
Department by	Ms. Harpreet Kaur Hansra, Sr. DR
Date of Hearing	11/11/2025
Date of Pronouncement	01/12/2025

ORDER

PER SUDHIR PAREEK, JM:

This appeal is preferred by the Assessee against the order of Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi [‘Ld. CIT(A) in short] dated 19.07.2024 passed U/s 250(6) of the Income Tax Act, 1961 (hereinafter called ‘the Act’) for Assessment Year 2018-19.

2. The assessee has raised the following grounds of appeal :-

“1. Ground 1. For that on the facts and in the circumstances of the case the Learned CIT(A) erred in not condoning delay in filing appeal before him through there is a reasonable cause for the delay.

2. Ground 2. For that on the facts and circumstances of the case, the Ld. CIT(A) ought to have considered that the penalty order u/s 270A passed by the Ld. A.O. is bad in law and is liable to be quashed.

3. *Ground 3. For that on the facts and circumstances of the case, the Ld. CIT(A) was not justified in confirming the amount of penalty imposed by the Ld. AO amounting to Rs.19,51,100/- u/s 270A of the Act.*

4. *Ground 4. For that the penalty imposed by the A.O. to the tune of Rs.19,51,100/- is not sustainable since the quantum addition on which basis such penalty was imposed has been deleted by the Hon'ble Tribunal vide an order dated 14.05.2025.*

5. *Ground 5. The appellant craves leave to add, alter or delete all or any of the grounds of appeal at the time of hearing."*

3. At the outset, the Learned AR submitted that the Tribunal, while deciding appeal of the assessee ITA 625/Del/2025(AY 2018-19), observed that amendment made by Finance Act, 2022 to section 14A of the Act by inserting a non-obstante clause and explanation will take effect from 01/04/2022 and cannot be presumed to have retrospective effect and no disallowance could be made u/s 14A of the Act if no exempt income was earned by the appellant and accordingly appeal was allowed. It is also submitted that the impugned penalty order is quite erroneous because the addition made by the Learned AO deleted as mentioned hereinbefore by the Tribunal vide order Dated 14/05/2025.

4. Heard rival submissions and carefully perused the material available on record. We find that in quantum proceedings the Tribunal allowed the appeal of the appellant and it is established principal of law that where quantum allowed, then penalty order could not survive and accordingly, same is deserves to be quashed and ground raised by the assessee is hereby allowed.

5. Consequently, appeal of the assessee stands allowed as indicated above.

Order pronounced in open Court on 01st December, 2025.

Sd/-
(AVDHESH KUMAR MISHRA)
ACCOUNTANT MEMBER

Sd/-
(SUDHIR PAREEK)
JUDICIAL MEMBER

Dated: 01.12.2025.
PK/Sr. PS

Copy forwarded to:

1. Appellant
1. Respondent
2. CIT
3. CIT(Appeals)
4. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI