

**IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH : BANGALORE**

BEFORE SHRI PRASHANT MAHARISHI, VICE PRESIDENT
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER

ITA No.1421/Bang/2025
Assessment year : 2020-21

RNS Power Ltd., 7 th Floor, Naveen Complex, 14, M G Road, Trinity Circle, Bengaluru – 560 001. PAN: AAGCR 1549G	Vs.	The Deputy Commissioner of Income Tax, Ward 5(1)(1), Bengaluru.
APPELLANT		RESPONDENT

Appellant by	:	Shri Prasanna Urala, Advocate
Respondent by	:	Shri Subramanian, Jt.CIT(DR)(ITAT), Bengaluru.

Date of hearing	:	06.01.2026
Date of Pronouncement	:	17.02.2026

ORDER

Per Prashant Maharishi, Vice President

1. This appeal is filed by RNS Power Ltd., Bangalore (the assessee/appellant) for assessment year 2020 – 21 against the appellate order passed by the National Faceless Appeal Centre, Delhi dated 28 February 2025 wherein the appeal filed by the assessee against the penalty order dated 28 March 2023 passed under section 270A of the

Income Tax Act, 1961 [the Act] by the Assessment Unit of the Department (the learned AO) for the assessment year was dismissed. Therefore assessee is in appeal before us. The solitary ground of appeal is with respect to the confirmation of the penalty under section 270A of the Act of Rs.22,26,572 levied by the income tax department.

2. The brief facts of the case shows that the assessee company is engaged in the business of generation and distribution of power, filed its return of income u/s. 139 (4) of the Act on 30 March 2021 at a total income of NIL. The income admitted u/s.115JB was ₹ 46,364,727. This return of income was processed u/s. 143 (1) (a) on 23 December 2021 determining the total income of ₹ 33,259,265 wherein the claim of the assessee of deduction under section 80 IA (4) (iv) of the Act of ₹ 33,289,259 was denied. The reason for denial of the same was that the assessee had violated the provisions of section 80 AC of the Act. Accordingly the penalty was also initiated under section 270A (9) of the Act for underreporting of income in consequence of misreporting of income. The show cause notice was issued which was replied by the assessee. However the learned AO levied the penalty of Rs.2,22,65,728. The assessee challenged the same before the learned CIT – A who confirmed the same. And therefore assessee is in appeal before us.
3. The appeal filed by before us is late by 56 days. The order of the learned CIT – A was communicated to the assessee on 28 February 2025 but the assessee has filed an appeal on 25 June 2025 and thereby

causing a delay of 56 days. The learned AR referred to the application seeking a condonation of delay along with the affidavit. It was submitted that upon receipt of the appellate order of the learned CIT – A the Chartered Accountant was instructed to file the appeal and paid the appeal filing fees on 23 April 2025 however form No. 36 was also generated on 24/4/2025. But for filing an appeal before the Tribunal grounds of appeal and verification duly signed by the authorised signatory are required to be uploaded. Though the Form was prepared well within the time but due to inadvertent lapse on the part of the subordinate staff in the office of the assessee the signed copies were not forwarded back to the office of the counsel and therefore there is a delay of 56 days in filing of the appeal. It was submitted that the delay in filing of the appeal is unintentional, for bonafide purposes and therefore may be condoned.

4. The learned DR vehemently objected to the delay and submitted that delay is not for sufficient cause and therefore should not be condoned.
5. We have carefully considered the rival contention and find that the delay has occurred because of the non-filing of the form No. 36 on the ITAT portal. The delay is on account of papers not forwarded by the assessee to the Counsel though the appeal forms were generated on 24 April 2025 and appeal filing fees were also paid on 23 April 2025. Accordingly we find that the delay of 56 days caused in filing of the appeal before the Tribunal, is for sufficient cause and accordingly same is condoned and appeal of the assessee is admitted.

6. On the merits of the issue, we find that the assessee has filed an application u/s.119 (2) (b) of the Act seeking condonation of delay in filing the return of income. Because of this reason section 80 AC was invoked and the deduction u/s. 80 IA was denied to the assessee. Those applications stands rejected by the Commissioner of Income Tax and the assessee approached the Hon'ble High Court in Writ Petition. The Hon'ble Karnataka High Court in Writ Petition No. 13869/2025 passed an order allowing the petition condoning the delay of 150 days in filing the return of income for impugned assessment year and therefore as the delay has been condoned by the Hon'ble High Court, the assessee is entitled to deduction under section 80 IA of the Act and therefore as on the merits the addition does not stand, the penalty also does not stand. Accordingly in view of the decision of the Hon'ble High Court, the ld. AO is directed to delete the penalty of Rs.2,22,65,728/- in view of the decision of the Hon'ble High Court holding that that the order passed by the learned assessing officer denying the deduction under section 80 IA(4) of the Act does not stand.
7. In the result appeal filed by the assessee is allowed.

Pronounced in the open court on this 17th day of February, 2026.

(SOUNDARARAJAN K.)
JUDICIAL MEMBER

(PRASHANT MAHARISHI)
VICE PRESIDENT

Bangalore,
Dated, the 17th February, 2026.

/Desai S Murthy /

Copy to:

1. Appellant
2. Respondent
3. Pr. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar
ITAT, Bangalore.