आयकर अपीलीय अधिकरण, इंदौर न्यायपीठ, इंदौर
IN THE INCOME TAX APPELLATE TRIBUNAL
INDORE BENCH, INDORE

BEFORE SHRI B.M. BIYANI, ACCOUNTANT MEMBER
AND
SHRI PARESH M. JOSHI, JUDICIAL MEMBER

ITA No.534/Ind/2025
Assessment Year:2018-19

Rajesh Kumar Rathore, Collectors Bungalow, Sindhi Colony, Sehore	Vs.	ITO, Ward-5 Sehore
(Assessee/Appellant)		(Revenue/Respondent)
PAN: AAPPR2617B		
Assessee by	Shri Harshit Choukse & Shri Kunal Agrawal, ARs	
Revenue by	Shri Ashish Porwal, Sr. DR	
Date of Hearing	02.02.2026	
Date of Pronouncement	19.02.2026	

आदेश / O R D E R

Per B.M. Biyani, AM:

Feeling aggrieved by order of first-appeal dated 17.04.2025 passed by learned Commissioner of Income-tax (Appeals), NFAC, Delhi ["CIT(A)"] which in turn arises out of penalty-order dated 25.09.2023 passed by learned Assessment Unit of Income-tax Department ["AO"] u/s 272A(1)(d) of the Income-tax Act, 1961 ["Act"], the assessee has filed this appeal on following grounds:

> *"1. On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in upholding the order passed by Assessing Officer without giving proper opportunity of being heard resulting into violation of principal of natural justice.*

2. On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in upholding the action of the Assessing Officer of imposing penalty of Rs. 30,000/- u/s 272A(1)(d) of the Act.

3. On facts and circumstances of the case and in law, the Ld. CIT(A) erred in upholding the action of the AO of imposition of penalty as appellant had reasonable cause for non-compliance of the impugned notices.

4. The appellant craves leave to add any new ground of appeal OR alter, amend OR DLEETE any of the above grounds of appeal."

2. The background facts leading to present appeal are as under:

(i) The AO initiated proceeding of assessment u/s 147 through a notice dated 31.03.2022 u/s 148 to examine the cash deposits of Rs. 3,45,00,000/- having been made by assessee in a bank a/c. During such proceedings, the AO issued three notices dated 22.08.2022, 21.09.2022 and 11.10.2022 u/s 142(1) followed by letter/show-cause notice to assessee but finding non-compliances from assessee, the AO completed assessment ex-parte assessment u/s 144 vide assessment-order dated 06.03.2023 treating the deposits in bank a/c as unexplained investment u/s 69 and thereby determining total income at Rs. 3,45,00,000/-.

(ii) Simultaneously, the AO also initiated separate proceedings for imposition of penalties u/s 271AAC & 272A(1)(d). Ultimately, the AO passed separate penalty-orders imposing penalties u/s 271AAC & 272A(1)(d).

(iii) Aggrieved, the assessee filed three separate appeals, one against assessment-order and other two against respective penalty-orders

u/s 271AAC & 272A(1)(d) to CIT(A). However, the CIT(A) dismissed all three appeals *in limine* without adjudicating merits, on the ground of belated filing of appeals by assessee.

(iv) Still aggrieved, the assessee has come in next appeals before this bench of ITAT by way of three separate appeals, being *ITA No. 533 to 535/Ind/2025*.

(v) The present appeal being *ITA No. 534/Ind/2025* is directed against the penalty imposed by AO u/s 272A(1)(d) for non-compliances to the notices u/s 142(1). The AO has passed penalty-order dated 25.09.2023 imposing a total penalty of Rs. 30,000/- @ Rs. 10,000/- for non-compliance of each of the three notices issued u/s 142(1).

3. At first, we note that the CIT(A) has dismissed assessee's first-appeal on the ground of delayed filing by 395 days. Similar delay [but with changes in days of delay] also happened in other two appeals, being *ITA No. 533/Ind/2025 & 535/Ind/2025*. This bench, vide two separate orders of even date authored by learned J.M., has taken a view to condone the delay in filing those appeals before CIT(A) [Para 4.3 of order of even date]. Respectfully following the same view as taken in other appeals, we condone the delay in filing of present appeal before CIT(A) and proceed to adjudicate present appeal on merits.

4. On merits, the assessee in present appeal is aggrieved by a penalty of Rs. 30,000/- imposed by AO for non-compliances of three (3) notices issued by AO u/s 142(1). The Ld. AR for assessee submitted that the AO issued three (3) successive notices dated 22.08.2022, 21.09.2022 and 11.10.2022 u/s 142(1) within a short gap of time for examining a single issue of cash deposit of 3,45,00,000/- having been made by assessee in bank a/c. Accordingly, it was contended that where successive notices have been issued within a short span of time to examine a single issue, the alleged non-compliances partakes the character of a single continuing default and therefore the penalty cannot be levied separately for each notice. We find merit in the contention of the Ld. AR that where the notices have been issued by the AO, one after another, for examination of same issue, it will not multiply the default and it would constitute a single default. The object of section 272A(1)(d) is to ensure compliance and not to multiply penal consequences for a singular lapse arising out of the same cause. This proposition is supported by plethora of decisions including the recent decision dated 14.10.2025 given by ***ITAT, Pune Bench in Devraj Vishwasrao Jadhav Vs. ITO, Satara, ITA No. 1002/Pun/2025***. Same view has also been accepted by this very bench in ***Ganpat Singh Vs. ITO-3(1), Bhopal, ITA No.158/Ind/2025***. Accordingly, in the light of same and also considering the provisions of section 273B of the Act, we are of the view that the penalty for first non-compliance deserves to be confirmed and for the subsequent non-compliances penalty deserves to be deleted. We,

therefore, restrict the quantum of penalty for one default as against three defaults treated by Ld. AO. Accordingly, out of the total penalty of Rs. 30,000/- imposed by AO, we uphold the penalty to the extent of Rs. 10,000/- and delete the balance penalty of Rs. 20,000/-.

5. Resultantly, this appeal is partly allowed.

Order pronounced in open court on 19/02/2026

Sd/-	Sd/-
(PARESH M. JOSHI)	(B.M. BIYANI)
JUDICIAL MEMBER	ACCOUNTANT MEMBER

Indore
दिनांक/ Dated : 19/02/2026
Patel/Sr. PS

Copies to:
(1) The appellant
(2) The respondent
(3) CIT
(4) CIT(A)
(5) Departmental Representative
(6) Guard File

By order
Sr. Private Secretary
Income Tax Appellate Tribunal
Indore Bench, Indore