

**IN THE INCOME TAX APPELLATE TRIBUNAL
"B" BENCH, AHMEDABAD**

**BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT
SHRI TR SENTHIL KUMAR, JUDICIAL MEMBER**

ITA No.2457/Ahd/2025
(Assessment Year: 2021-22)

Hasambhai Ahmadbhai Adhiya, Vada Nera Chowk, Ramdev Pir Street, Bhavnagar-364001, Gujarat. [PAN :AEFPA9191 P]	Vs.	The Income Tax Officer, Ward 1(8), Bhavnagar.
(Appellant)	..	(Respondent)

Appellant by :	Shri Kunal Shangvi, AR
Respondent by:	Shri RP Rastogi , CIT. DR

Date of Hearing	09.03.2026
Date of Pronouncement	11.03.2026

ORDER

PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-

This appeal is filed by the Assessee against the appellate order dated 15.10.2025 passed by the Commissioner of Income Tax (Appeals), Ahmedabad relevant to the Assessment Year 2021-22.

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

[1] The Ld. CIT(A), NFAC, Delhi was grievously erred in confirming the Penalty of Rs. 4,41,97,032/-u/s. 270A of the I.T. Act, 1961, levied by the Ld. A.O. which is quite illegal and bad in law.

The appellant submits that pertaining to AY 2021-2022 against the assessment order passed u/s. 14 r.w.s. 144B, the appellant has preferred an appeal before the Ld. CIT(A) vide order dated 29.07.2024 has dismissed the

appeal and against the dismissal of the appeal the appellant has prepared a further appeal before Hon. ITAT, Ahmedabad ITA No. 1723/Ahd/2024 and the Hon. ITAT, Ahmedabad vide their order dated 20th Feb. 2025 has allowed the appeal for statistical purposes.

The appellant further submits that against the above Tribunal Order the Ld. A.O. ITO 1(8), Bhavnagar has given the Appeal Effect Order on dated 19th May 2025 by mentioning that the Revised Total Income as Nil. Under the circumstances, the imposition of penalty u/s. 270A should not occurred.

[2] The appellant therefore requests your goodself to kindly delete the above mentioned additions made by the Ld. A.O. looking to the merits of the case.

[3] The appellant craves leave to add, amend, alter, edit, delete, modify or change all or any of the grounds of appeal at the time of or before the hearing the appeal.

3. At the outset, we noticed that quantum appeals of the assessee (consolidated order) bearing ITA Nos.1720 to 1723/Ahd/2024 for A.Ys 2020-21 to 2021-22 dated 20.02.2025 have already been restored to file of Assessing Officer for assessment *denovo*. The relevant extract of the order is reproduced as below:

*“...3. At the outset the Ld.AR for the assessee submitted that during the appellate proceedings the assessee has made submission along with the relevant documents & information and also mentioned the reasons for the condonation of delay in filing the appeals. The Ld.CIT(A) has dismissed the appeals of the assessee as not admitted. We also find that assessee has not complied even before the Assessing Officer, hence in the interest of justice the matter is remanded to Assessing Officer for conducting assessment *de-novo*. The assessee shall comply to the notices issued by the Assessing Officer failing which the Assessing Officer would be at liberty to initiate penalty proceeding as per the provisions of the Act...”*

4. Since the quantum appeal of the assessee bearing **ITA No.1723/Ahd/2024 for A.Y 2021-22** has been set aside to the file of

the Assessing Officer for framing the assessment de novo, the penalty levied under section 270A of the Act cannot survive at this stage. Accordingly, the penalty order is set aside and the penalty levied under section 270A of the Act is hereby deleted, with a direction to the Assessing Officer to consider initiation of penalty proceedings at the time of passing the fresh assessment order in accordance with law.

5. In the result, the appeal of the assessee is allowed for statistical purposes.

The order is pronounced in the open Court on 11.03.2026

**Sd/-
(TR SENTHIL KUMAR)
JUDICIAL MEMBER**

**Sd/-
(DR. B.R.R. KUMAR)
VICE-PRESIDENT**

Ahmedabad; Dated **(True Copy)**
11.03.2026
MV

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

आदेशानुसार / BY ORDER,

**सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad**