

IN THE INCOME TAX APPELLATE TRIBUNAL PUNE
“B” BENCH PUNE
BEFORE SHRI MANISH BORAD, ACCOUNTANTMEMBER & SHRI
PAVAN KUMAR GADALE, JUDICIALMEMBER
ITA. No.456/PUN/2026
(A.Y.2020-21)

SheetalkumarSubhash Shah, Kedar Apartment, 60 Mitramandal Colony, Pune-411009, Maharashtra.	Vs	D.C.I.T.Circle-2,Pune PMT Bldg. Shankarsheth Road., Swargate, Pune-411 037, Maharashtra.
PAN.No.AFHPS4694C		
अपीलार्थी / Appellant		प्रत्यर्थी / Respondent

Assessee by	Shri.M.R. Bhagwat.AR
Revenue by	Shri.Ganesh B. Budruk.Addl.CIT- DR

सुनवाई की तारीख/Date of Hearing	09.04.2026
घोषणा की तारीख/Date of Pronouncement	21.04.2026

ORDER

PER PAVAN KUMAR GADALE, JM:

The assessee has filed an appeal against the order of CIT(A) passed u/sec 250 of the Income Tax Act, 1961. The assessee has raised the grounds of appeal challenging the order of the CIT(A) sustaining the levy of penalty u/sec 270A of the Act made by the Assessing officer.

2. The brief facts of the case are that, the assessee has filed the return of income for the assessment year 2020-21 on 30.01.2021 disclosing a total income of Rs. 77,26,680/- u/sec.139(1) of the Act. Further the assessee

has filed the return of income on 23.01.2023 disclosing a total income of Rs.83,30,160/-. Subsequently notice u/Sec.148 of the Act was issued as the assessee has received interest other than interest on securities and purchased the motor vehicle, which has not disclosed in the return of income filed for A.Y.2020-21. In compliance to the notice, the assessee has filed a return of income on 19.06.2024 disclosing a total income of Rs.83,30,160/- and the assessment was completed u/Sec. 144 r.w.s.144 B of the Act and assessed the total income of Rs.83,30,160/- vide order dt.07.03.2025.

3. Subsequently, the A.O. has initiated penalty proceedings u/sec 270A of the Act for under reporting of income and the A.O has issued show cause notice. The assessee has complied with the information and explanations vide letter dated 8.03.2025&16.03.2025, the contentions of the Ld.AR that the additional income is offered to tax by the assessee before the issue of notice u/sec148 of the Act and paid the taxes and the A.O has accepted the return of income filed u/sec148 of the Act. Whereas, the AO was not satisfied with the submissions and levied a penalty of Rs.86,763/- and passed the order u/s 270A of the Act dated 15-09-2025.

4. Aggrieved by the penalty order, the assessee has filed an appeal before the CIT(A). In the appellate proceedings, the CIT(A) has considered the grounds of appeal, statement

of facts and finding of the proceedings but has confirmed the penalty levied by the A.O and dismissed the assessee appeal. Aggrieved by the CIT(A) order, the assessee has filed an appeal before the Hon'ble Tribunal.

5. At the time of hearing, the Ld.AR submitted that the CIT(A) has erred in confirming the action of the A.O in levying of penalty overlooking the facts and submissions irrespective of the fact that the penalty cannot be levied as the additional income is offered to tax by the assessee before the issue of notice u/sec148 of the Act and paid the taxes Further the Ld. AR emphasized that the assessee in response to notice under Section 270A of the Act dated 17-03-2021 has submitted the explanations along with the details through E-Portal of the ITBA and the Assessing Officer has overlooked the submissions The Ld.AR submitted that penalty provisions shall not be attracted as per the provisions of ITR-139(8A) of the Act which is accepted by the A.O and passed the order u/Sec. 144 r.w.s.144 B of the Act. The Ld.AR substantiated the submissions with factual paper book and prayed for allowing the appeal. Per Contra, the Ld.Dr relied on the order of the CIT(A).

6. We heard the rival submissions and perused the material on record. The sole matrix of the dispute envisaged by the Ld.AR that the CIT(A) has erred in sustaining levy of penalty u/sec.270A of the Act, though the assessee has not under reported any

income and the assessee filed updated return of income u/sec.139(8A) of the Act disclosing the income that remained to be included in the return of income filed u/sec.139(1) of the Act and the additional income is offered to tax by the assessee before the issue of notice u/sec148 of the Act and paid the taxes. The Ld. AR emphasized that the assessee has paid additional tax @ 25% on the additional income and referred to the updated return of income u/sec 139(8A) of the Act filed on 23.01.2023 placed at page 06 to 11 of the paper book. Further, the Ld. AR's contentions are that penalty provisions shall not be attracted as per the provisions of 139(8A) of the Act, where the return of income is accepted by the A.O and passed the order u/Sec. 144 r.w.s.144 B of the Act.The Ld.AR also referred to the extracts of memorandum explaining provisions of finance bill 2022 as reported in 440 ITR ST 237-238 placed at page 15 &16 of the paper book on the issue of promoting voluntary tax and reducing litigation.We considering the facts, circumstances, provisions of section 139(8A) of the act and submissions are of the opinion that the penalty cannot be sustained. Accordingly, we set aside the order of the CIT(A) and direct the assessing officer to delete the penalty. And we allow the grounds of appeal in favour of the assessee.

7. In the result, appeal filed by the assessee is allowed.

Order pronounced in the open court on 21.04.2026.

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER
Pune Dated: 21/04/2026

Ashwini

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Copy of the Order forwarded to:

1. The Appellant,
2. The Respondent
3. The CIT(A)
4. CIT
5. DR, ITAT, "B" Bench
6. Guard file.

//True Copy//

BY ORDER,
(Asstt.Registrar) ITAT,
Pune.