

**THE INCOME TAX APPELLATE TRIBUNAL  
AHMEDABAD “SMC” BENCH, AHMEDABAD**

**Before Ms. Suchitra Kamble, Judicial Member**

**ITA No.257/AHD/2026  
Assessment Year 2020-21**

Ansh Organisers Private Limited 113 Vipa Bhavan, Fatehbhai Haveli Ratan Pole, Ahmedabad-380001 PAN-AAGCA9981K -(Appellant)	Vs	DCIT, CIRCLE 1.1.1,Ahmedabad RoomNo.206, Aayakar Bhawan, Vejalpur, Prahladnagar Road, Ahmedabad-380015 -(Respondent)
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**Assessee by: Shri Sanjay R Shah, AR**

**Revenue by: Shri Arvind Kumbhare, Sr. DR**

Date of hearing : 18-03-2026

Date of pronouncement : 15-05-2026

**आदेश/ORDER**

This is an appeal filed against the order dated 25-11-2025 passed by National Faceless Appeal Centre (NFAC), Delhi for the assessment year 2020-21.

2. The grounds of appeal are as under:-

*“1. The Learned Commissioner of Income Tax (Appeals) has erred in law and on the facts of the case in confirming the levy of penalty under section 270A of the Act by holding that the Appellant has under-reported its income. It is submitted that, on the facts and circumstances of the case, there is no under-reporting of the income on the part of the Appellant. Your Appellant submits that it be so held now and prays to delete the penalty of 4,91,786/-by the learned Assessing Officer.*

2. *The Learned Commissioner of Income Tax (Appeals) has erred in law and on facts in upholding the penalty of ₹ 4,91,786/-levied under section 270A for under-reporting of income, without specifying the particular limb of section 270A(2) under which the penalty was imposed-neither in the assessment order nor in the penalty notice issued to the Appellant. Your Appellant submits that it be so held now and prays to delete the penalty of 4,91,786/- levied by the learned Assessing Officer and confirmed by the Learned CIT(A).*

3. *The Learned Commissioner of Income Tax (Appeals) has erred in law and on facts in upholding the penalty of ₹ 4,91,786/-levied under section 270A of the Act, particularly when the Learned AO accepted the returned income as disclosed in the return of income filed u/s. 148 of the Act and tax paid and the explanation offered for late filing of return, and thus the Appellant's case is covered u/s. 270A(6)(a) of the Act. Your Appellant submits that it be so held now and prays to delete the penalty of ₹ 4,91,786/- by the learned Assessing Officer*

4. *Your Appellant reserves the right to add, alter, amend and/or withdraw any of the above Grounds of Appeal.”*

3. The assessee filed its return of income u/s. 148 of the Act declaring total income of 37,82,970/- vide acknowledgement number 433669411140624 dated 14.06.2024. The source of the income of the assessee was mainly from the rent income taxable under the head 'Income from House Property'. The assessee's case has been selected through the Insight portal (RMS - Nonfiling of Return - PAN cases with priority mark PI category), as there was information on the Insight portal that the assessee has reported sales under GSTR- 1 and GSTR-3B of 61. However, the assessee has not filed its return of income u/s. 139(1) of the Act for the AY 2020-21. Thereafter, the assessee AO issued notice u/s. 148A(a) of the Act on 12.12.2023, and the assessee has duly submitted its response before the AO on 26.12.2023. Thereafter, the AO has issued a show cause notice u/s 148A(b) of the Act on 01.02.2024, and the assessee has duly filed its submission before the AO on 15.02.2024 for verification. However, the AO has not accepted the submissions of the assessee and reopened the case of the assessee

by issuing notice u/s. 148 of the Act on 29.02.2024. The assessee has filed its return of income in response to the notice issued u/s. 148 of the Act on 14.06.2024. The AO thereafter, issued notice u/s. 143(2) of the Act on 03.09.2024 and the assessee has duly submitted its response on 22.01.2024 in response to the notice issued u/s. 143(2) of the Act. Thereafter, the AO has issued various notices u/s. 142(1) of the Act, and the assessee has duly submitted its responses before the AO from time to time for verification. The AO, after considering the submissions made by the assessee, has accepted the returned income and passed the assessment order u/s. 147 r.w.s 1448 of the Act on 03.02.2025 without any addition. However, the AO mentioned in the assessment order that the assessee has not filed its return of income u/s. 139(1) of the Act, and if the case was not selected under scrutiny, there would have been the loss of revenue, and due to these facts, the assessee has under-reported its income and therefore, separate proceedings for under-reporting of income u/s. 270A of the Act to be initiated. The AO, thereafter, issued notice u/s. 274 r.w.s 270A of the Act on 03.02.2025 for under-reporting of income. However, the Learned AO has not mentioned the specific limb of the provisions under which the case of the assessee falls, as there are various clauses mentioned in section 270A(2) i.e., clauses (a) to (g) of the Act. Further, the AO did not mention the specific limb in the assessment order also through which the penalty proceedings were initiated. The assessee in response to the notice issued on 03.02.2025, has duly submitted its response on 04.03.2025 before the AO and categorically raised objections on the issuance of notice u/s. 274 r.w.s. 270A of the Act for under-reporting of income. The AO, thereafter, issued notice on 20.03.2025, 24.03.2025, and 07.04.2025, and the assessee has duly submitted the same submissions before the AO

for verification. The AO, however, has not accepted the submissions made by the assessee and passed the penalty order u/s. 270A of the Act on 22.05.2025 and levied the penalty of Rs.4,91,790/- (50% of 9,83,573/-) for under-reporting of income for the year under consideration.

4. Being aggrieved by the penalty order under Section 270A of the Act the assessee filed appeal before the CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. The Ld. A.R. submitted that the assessee while filing the return of income in response to notice under Section 148 of the Act. The assessee has accepted the return of the income of the assessee. Since, the assessee has not filed any return of income under Section 139(1) of the Act it cannot be stated that there is underreporting or misreporting of the income. The Ld. A.R. submitted that the Assessing Officer has not mentioned this specific link of Section 270A of the Act under which the assessee's case will fall. Thus, the penalty issue is not justified under Section 270A of the Act. The Ld. A.R. further submitted that during the assessment proceedings the assessee has given the detailed reconciliation, financials, audit report and bank statements thus, the assessee has disclosed all aspects of his income during the reassessment proceedings. Therefore, there was no question of underreporting or misreporting. The Ld. A.R. relied upon the decision of the Tribunal in case of *Ishit Kamleshbhai Sheth Vs. ITO* (ITA No.753/Ahd/2025 order dated 25-07-2025).

6. The Ld. D.R. relied upon the Assessment Order and the Order of the CIT(A).

7. Heard both the parties and perused all the material available on record. It is pertinent to note that the assessee has filed the return under Section 148 of the Act and the same was accepted by the Assessing Officer without making any observation that there was any underreporting or misreporting in assessee's return of income. Once the return of income was accepted under Section 148 the Assessing Officer cannot make out the case that there is underreporting or misreporting. Besides this the Assessing Officer has also not given the proper levy of Section 270A of the Act and therefore, the penalty under Section 270A of the Income Tax Act does not survive.

8. In result appeal of the assessee is allowed.

Order pronounced in the open court on 15-05-2026

**Sd/-**  
**(Suchitra Kamble)**  
**Judicial Member**

**Ahmedabad : Dated 15/05/2026**  
H.C. PS

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार  
आयकर अपीलीय अधिकरण,  
अहमदाबाद