

**THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD "SMC" BENCH, AHMEDABAD**

Before Ms. Suchitra Kamble, Judicial Member

**ITA No. 2253/Ahd/2025
Assessment Year 2014-15**

Usha Dilipbhai Shah, E-2/7, Sterling City, Tulip School Road, Lane No. 12, Bopal, Ahmedabad-380058 PAN: ACXPS7099A (Appellant)	Vs	The Income Tax Officer, Ward-3(5), Ahmedabad (Respondent)
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Assessee by: Shri B.R. Popat, A.R.

Revenue by: Shri Umesh Kumar Agrawal, Sr. D.R.

Date of hearing : 29-01-2026
Date of pronouncement : 13-04-2026

आदेश/ORDER

This is an appeal filed against the order dated 21-11-2025 passed by National Faceless Appeal Centre (NFAC), Delhi for assessment year 2014-15.

2. The grounds of appeal are as under:-

"1. The learned CIT(A) erred in law and on facts in confirming the penalty of Rs. 2,56,940/- levied by the AO under section 271(1)(c) of the Act.

2. The learned CIT(A) erred in law and on facts in confirming the action of the JAO in passing the order, which was without jurisdiction, thus not enforceable

Total tax effect

Rs.2,56,940/-"

3. Return of income was filed by the appellant on 30.07.2014, declaring total income of Rs.3,74,757/- for A.Y. 2014-15. As per information available with the Department, the appellant was a beneficial owner of shares holding not less than 10% of the voting power in M/s Saurashtra Travels Limited during the relevant financial year. Further, as per information, in the books of account of M/s Saurashtra Travels Limited, there was outstanding debit balance of Rs. 10,75,000/- of unsecured loan in the name of "SITC-Loan Account" (Sourashtra International Travel Corporation)" Prop. Smt. Ushaben Dilipbhai Shah on 23.09.2013 i.e. during the F.Y. 2013-14 relevant to A.Y. 2014-15. Accordingly, the proceedings u/s 147 of the Act was initiated and notice u/s 148 of the Act was issued on 30.03.2021 with prior approval of the competent authority. In response to the said notice, the appellant filed her return of income declaring total income of Rs.3,74,760/- on 31.05.2021. During the course of proceedings, the notice u/s 142(1) of the Act along with detailed questionnaires were issued to the appellant on 17.12.2021, 07.01.2022, 18.01.2022 and 31.01.2022. The show cause notice was issued on 01.03.2022. However, the appellant did not respond to these notices and remained non-compliant during the assessment proceedings. Finally, the assessment was completed on 11.03.2022 u/s 147 r.w.s. 144 of the Act at total income of Rs. 14,49,757/-, making addition of Rs. 10,75,000/- as deemed dividend u/s 2(22)(e) of the Act, raising demand of Rs. 5,707/-. Penalty proceedings u/s 271(1)(c) was also initiated while passing the assessment order. Vide penalty order dated 27.09.2022, the Assessing Officer levied penalty of Rs. 2,56,940/- u/s 271(1)(c) of the Act on concealed income of Rs. 10,75,000/-.

4. Being aggrieved by the penalty order u/s. 271(1)(c) 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 quantum appeal is confirmed but the assessee has given treatment of its income as per its business and that cannot be held as furnishing inaccurate particulars of income or concealment of income.

6. The ld. D.R. relied upon the assessment order and the order of the CIT(A).

7. I have heard both the parties and perused all the relevant material available on record. The treatment of the income not being deemed dividend u/s. 2(22)(e) of the Act as mentioned by the assessee before the quantum proceedings has already been reflected in the audited books of accounts. Merely treating it as per its own understanding cannot be treated as a concealment of income or furnishing inaccurate particulars of income as envisaged u/s. 271(1)(c) of the Act. Thus, the appeal of the assessee is allowed.

8. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 13-04-2026

Sd/-
(Suchitra Kamble)
Judicial Member

Ahmedabad : Dated 13/04/2026

a.k.

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