

IN THE INCOME TAX APPELLATE TRIBUNAL "CUTTACK" BENCH, CUTTACK

**BEFORE SHRI GEORGE MATHAN, JM
AND**

SHRI RAJESH KUMAR, AM

ITA No. 58/CTK/2025

(Assessment Year: 2017-18)

Sri Ganesh Chit Fund

Hanuman Bazar, Gundalavari
Street Brahmapur Ganjam-
760002, Orissa

Vs.

**ITO, Ward-2, Berhampur
Odisha**

(Appellant)

(Respondent)

PAN No. AAWFS5606G

Assessee by : Shri Bibhuti Bhusan Panda, AR
Revenue by : Shri Nishanth Rao B, DR

Date of hearing: 17.07.2025

Date of pronouncement: 17.07.2025

ORDER

PER PENCH:

This is an appeal filed by the assessee against the order of the Id. CIT (A), National Faceless Appeal Centre, Delhi in appeal no. ITBA/NFAC/S/250/2024-25/1065854310(1) dated 20.06.2024 for A.Y. 2017-18.

02. Shri Bibhuti Bhusan Panda represented on behalf of the assessee and Shri Nishanth Rao B represented on behalf of the Revenue.
03. It was submitted by the Id. AR that the assessment in the case of the assessee has been completed u/s 143(3) of the Income-tax Act, 1961 (the Act) and the remuneration and the salary/ remuneration and interest on capital paid to the partners had been disallowed. It was the submission that the assessee had paid the tax demand raised along with the interest of ₹3,06,290/- on 03.01.2020. It was the submission that the assessment order was passed on 16.12.2019. It was the



submission that the tax of the interest had been paid within 30 days. It was the submission that the assessee has written a letter to the Id. AO on 14.01.2020, wherein he has mentioned that and the interest have been paid and the penalty proceedings were requested to be dropped. It was the submission that the Id. AO proceeded to levy the penalty u/s 270A of the Act and the Id. CIT (A), NFAC has confirmed the said levy of penalty u/s 270A of the Act. It was the submission that the assessee had claimed immunity u/s 270AA of the Act and the letter had been filed which reads as follows: -

"From
Sri Ganesh Chit Fund
Gundalavari Street,
Hanuman Bazar,
Berhampur(Gm),
Odisha
PAN-AAWFS5606G
Asst. Yr.-2017-2018

To.
The Income-Tax officer, Ward-2,
Berhampur (Gm)

Sub: Requesting for dropping of penalty U/S 270A of I.T. Act, 1961. Payment of Tax Vide Challan No-00001, Dated-03/01/2020.

Ref: Notice No-ITBA/AST/S/156/2019-20/1022482847(1), Dated -16/12/2019 vide order No-ITBA/AST/S/143(3)/2019-20/1022482740(1), Dated-16/12/2019.

Sir,

With reference to above, the assessment was completed U/S 143(3) raised demand of Tax of Rs. 3,06,290/-. I have paid the demanded tax on 03/01/2020 vide challan No-00001, BSR Code-0320125. Herewith I upload the challan for your kind verification.

I request your good self please kindly drop the penalty proceedings U/S 270A of I.T. Act, 1961 for which I shall be ever grateful.

Place: Berhampur

yours faithfully,

Dt-14/01/2020

(P.Anant Kumar)"



04. It was the submission that the Id. AO ought to have granted the assessee the immunity from the levy of penalty u/s 270A of the Act.
05. In reply, the Id. Sr. DR vehemently supported the order of the Id. AO and Id. CIT (A). It was the submission that there was no application for the claim of immunity u/s 270AA of the Act filed by the assessee.
06. We have considered the rival submissions. A perusal of the Provision of Section 270AA(i) shows that assessee is to make an application to the Assessing Officer to grant immunity from imposition of penalty under section 270A, if he fulfils the following conditions, namely (a) no appeal against the order referred to in clause (a) has been filed. In section 271AA(2) also refers to application referred to in sub-section (1) shall be made within one month from the end of the month in which the order referred to in clause (a) of sub-section (1) has been received and shall be made in such form and verified in such manner as may be prescribed. In the present case, admittedly no application for immunity has been filed in the prescribed format as required under sub-clause (2) of Section 270AA has been filed. The letter filed by the assessee, which has been extracted above is not in prescribed format. This is only the intimation, saying that the tax and the interest have been paid. There is no mention of the second condition being filing of the appeal. Admittedly, the assessee has paid the tax within the specified period. It is also an admitted fact that the assessee has not filed an appeal against the assessment order. However, as the assessee has not filed necessary application as per the provision of Section 270AA of the Act, cannot be brought into the play as the assessee has given any explanation in regard to penalty levied u/s 270A of the Act. We find no reason to



interfere in the order of the Id. CIT (A), NFAC, confirming the levy of penalty u/s 270A of the Act.

07. In the result, the appeal of the assessee is dismissed.

Order pronounced in the open court on 17.07.2025.

Sd/-
(RAJESH KUMAR)
(ACCOUNTANT MEMBER)

Sd/-
(GEORGE MATHAN)
(JUDICIAL MEMBER)

Kolkata, Dated: 17.07.2025

Sudip Sarkar, Sr.PS

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Cuttack