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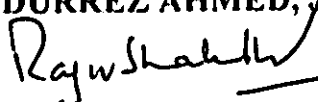
Present: Mr Sanjeev Sabharwal, Advocate for the Appellant.  
Mr G. R. Agnihotri with Ms Mangla Gandhi, Advocates for  
the Respondent.

+ ITA Nos. 703/2008 & 717/2008

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We note that the Income Tax Appellate Tribunal had deleted the penalty under Section 271 (1)(C) of the Income Tax Act, 1961 following the decision of this Court in CIT v. Ram Commercial Limited: 246 ITR 568 (Delhi) on the ground that the satisfaction had not been recorded by the Assessing Officer in the assessment order. Now that sub-section (1B) has been inserted in Section 271 by virtue of the Finance Act, 2008 with retrospective effect from 01.04.1989, we feel that the matter has to be reconsidered by the Tribunal on merits.

In these circumstances, we set aside the impugned order and remand the matter to the Tribunal for a fresh consideration on merits. The parties will appear before the Income Tax Appellate Tribunal on 08.12.2008 for directions.

The appeal stands disposed of.

  
BADAR DURREZ AHMED, J  
  
RAJIV SHAKDHER, J

November 04, 2008/mk