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% 30.07.2008

Present: Mr R. D. Jolly for the Appellant.
Mr Prakash Kumar for the Respondent.

+ CM No. 10144/2008 in ITA 872/2008

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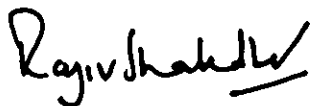
Allowed subject to all just exceptions.

ITA 872/2008

The only issue raised in the present appeal is with regard to the recording of the satisfaction in the assessment proceedings for the purposes of levy of penalty under Section 271(1)(c) of the Income Tax Act, 1961. In view of the insertion of sub-section (1B) in Section 271 by the Finance Act, 2008, which has retrospective effect from 01.04.1989, the question of penalty requires to be considered on merits. The same had not been done by the Tribunal in view of its finding based on the fact that the satisfaction had not been recorded in the assessment order. Consequently, this appeal is remanded to the Tribunal for a decision on merits.

The appeal stands disposed of accordingly.


BADAR DURREZ AHMED, J


RAJIV SHAKDHER, J

July 30, 2008
SR