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% 07.12.2009

Present: Ms. Suruchi Aggarwal, Advocate for the appellant-Revenue.
Ms. Simran, Adv. for the respondent-APMC.

+ ITA No. 1287/2009

Penalty proceedings were initiated and penalty was imposed upon the respondent-assessee under Section 271(1)(c) of the Income Tax Act on the ground that the assessee had wrongly stated in the income tax return that it was a local authority. The CIT(A) set aside this Committee and order of the CIT (A) has been affirmed by the Income Tax Appellate Tribunal holding that there was no willful concealment of disclosure of wrong facts. It is not in dispute that the assessee was a local authority and was getting various benefits under the Income Tax Act, 1961 on that basis. However, it was only because of the amendment in Section 10(20) of the Income Tax Act, which came in effect from 01.04.2003 that the assessee was assessed to be the local authority for the purpose of the said provision under Income Tax Act.

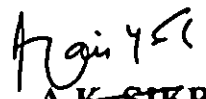
In these circumstances, the two authorities below rightly came to the conclusion that there was no willful concealment and it was a statement in the income tax return filed by the



assessee which was the first assessment year after the amendment. Un

the similar circumstances, the penalty was set aside against another such assessee M/s. Agricultural Produce Marketing Committee, Narela and the appeal there against preferred by the Revenue, i.e., 1058/2006 was dismissed by this Court on 02.08.2006.

We are, therefore, of the opinion that no question of law arises for determination. This appeal is accordingly dismissed.


A.K. SIKRI


SIDDHARTH MRIDUL

December 07, 2009
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