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% 18.07.2011

Present: Mr. Sanjeev Sabharwal, Counsel for the appellant on behalf of Ms. Suruchi Aggarwal, Advocate.
Mr. M.P. Rastogi, Advocate for respondent.

+ITA No.966/2010

In the income tax return filed by the assessee for the assessment year 1998-99, the assessee had claimed the manufacturing expenditure amounting to ₹2504579 and depreciation on plant and machinery amount to ₹666150. Both these claims were disallowed by the Assessing Officer who made additions to the same to be income of the assessee. The assessee filed appeal thereagainst which was dismissed by CIT(A) confirming those additions. No further appeal was filed and the assessee accepted the aforesaid outcome.

The Assessing Officer, however, initiated penalty proceedings as well invoking provisions under Section 271(1)(c) of the Income Tax Act on the ground that assessee had concealed the income. A penalty of ₹1482668 was levied. The CIT(A) confirmed this penalty. However, ITAT has deleted the penalty on the ground that there was no concealment of particulars and earned income. The issue regarding two additions is discussed in detail in paragraphs 19 to 23. The findings of ITAT that the claims made are bonafide and there was no concealment of income are the questions of facts.

We find that no question of law arises in the instant appeal.
Dismissed.

A.K. SIKRI, J.**M.L. MEHTA, J.****July 18, 2011**

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