

आयकर अपीलीय अधीकरण, न्यायपीठ – “C” कोलकाता,  
**IN THE INCOME TAX APPELLATE TRIBUNAL “C” BENCH: KOLKATA**  
 (समक्ष)Before श्री जे. सुधाकर रेड्डी, लेखा सदस्य एवं/and श्री ऐ. टी. वर्की, न्यायीक सदस्य)  
 [Before Shri J. Sudhakar Reddy, AM & Shri A. T. Varkey, JM]

**I.T.A. No. 400/Kol/2013**  
**Assessment Year: 2006-07**

M/s. Flicker Trading Limited (PAN: AAACF4116D)	Vs.	Deputy Commissioner of Income-tax, Circle-8, Kolkata.
Appellant		Respondent

Date of Hearing	20.06.2017
Date of Pronouncement	12.07.2017
For the Appellant	Shri Manish Tiwari, AR
For the Respondent	N o n e

**ORDER**

**Per Shri A.T.Varkey, JM**

This is an appeal filed by the assessee against the order of Ld. CIT(A)-VIII, Kolkata dated 21.12.2012 for AY 2006-07 confirming the penalty u/s. 271(1)(c) of the Income-tax Act, 1961 (hereinafter referred to as the “Act”).

2. At the outset itself, the Ld. Counsel for the assessee Shri Manish Tiwari drew our attention to the notice u/s. 274 read with section 271 of the Act dated 18.12.2008 served on the assessee wherein we note that the AO has not stricken out the limb of charge/default for which the penalty is being initiated against the assessee. We find that the notice has been issued for both the faults spelled out in Sec. 271(1)(c) of the Act i.e. having concealed the particulars of income or furnished inaccurate particulars of such income without specifying for which fault the assessee is being proceeded against by the AO. We note that in a similar case the Hon’ble High court of Karnataka in the case of *CIT vs Manjunatha Cotton and Ginning Factory reported in (2013) 359 ITR 565 (Kar)* has cancelled the penalty taking note of the fact that the penalty notice did not spell out clearly as to whether the assessee has concealed the particulars of income or has furnished inaccurate particulars of Income. We also find that Hon’ble Karnataka High Court in the case of *CIT Vs. SSA’s*

Emerald Meadows, reported in (2016) 73 taxmann.com 241 (Kar) endorsed the same view in Manjunatha Cotton and Ginning Factory (supra) and held as under:

*“3. The Tribunal has allowed the appeal filed by the assessee holding the notice issued by the Assessing Officer under section 274 read with Section 271(1)(c) of the Income Tax Act, 1961 (for short ‘the Act’), to be bad in law as it did not specify which limb of Section 271(1)(c) of the Act, the penalty proceedings had been initiated i.e., whether for concealment of particulars of income or furnishing of inaccurate particulars of income. The Tribunal, while allowing the appeal of the assessee, has relied on the decision of the Division Bench of this Court rendered in the case of CIT Vs. Manjunatha Cotton & Ginning Factory (2013) 359 ITR 565/218 Taxman 423/35 taxmann.com 250(Kar).*

*4. In our view, since the matter is covered by judgment of the Division Bench of this Court, we are of the opinion, no substantial question of law arises in this appeal for determination by this Court. The appeal is accordingly dismissed.”*

We also find that the aforesaid order of the Hon’ble High Court was challenged by the department before the Hon’ble Supreme Court by preferring an SLP which has been dismissed which fact has been reported in CIT Vs. SSA’s Emerald Meadows (2016) 73 taxmann.com 248 (SC).

3. We note that since the penalty notice issued to the assessee dated 31.12.2007 did not spell out as to which default the assessee has committed for which penalty u/s. 271(1)(c) of the Act has been initiated, therefore, respectfully following the Hon’ble Karnataka High Court’s order in Manjunatha Cotton & Ginning Factory (supra) and SSA’s Emerald Meadows (supra), we cancel the penalty imposed by the AO which has been erroneously confirmed by the Id. CIT(A). Therefore, appeal of the assessee is allowed.

4. In the result, appeal of assessee is allowed.

Order is pronounced in the open court on 12.07.2017

Sd/-  
(J. Sudhakar Reddy)  
Accountant Member

Sd/-  
(Aby. T. Varkey)  
Judicial Member

Dated : 12th July, 2017

Jd.(Sr.P.S.)

Copy of the order forwarded to:

1. Appellant – M/s. flicker Trading Limited, C/o Polar Industries Ltd., 113, Park Street, Kolkata-700 016.
- 2 Respondent – DCIT, Circle-8, Kolkata.
3. The CIT(A), Kolkata
4. CIT , Kolkata
5. DR, Kolkata Benches, Kolkata

/True Copy,

By order,

Sr. Pvt. Secretary