

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH: 'C' NEW DELHI**

**BEFORE SHRI S.K. YADAV, JUDICIAL MEMBER
&
SHRI PRASHANT MAHARISHI, ACCOUNTANT MEMBER**

**ITA No.-4603/Del/2016
(Assessment Year: 2008-09)**

Imperial Auto Industries Ltd. C/o M/s RRA TAXINDIA, D-28, South Extension, Part-1, New Delhi. AAAC10645J	vs	DCIT Central Circle-1, Faridabad.
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Assessee by	Dr. Rakesh Gupta, Adv. Sh. Somil Aggarwal, Adv.
Revenue by	Sh. S.L. Anuragi, Sr. DR

Date of Hearing	23.05.2018
Date of Pronouncement	24.05.2018

ORDER

PER SHRI S.K. YADAV, J.M.

This appeal is preferred by the assessee against the order of the Commissioner of Income Tax (Appeals) (for short called as the 'CIT (A)') on a solitary ground that CIT(A) has confirmed the penalty of Rs. 48,02,149 u/s 271(1)(c) of the Income Tax Act, 1961 (hereinafter called as the 'Act') levied by the Assessing Officer (hereinafter called as the 'AO').

2. During the course of hearing, Ld. Counsel for the assessee has invited our attention that penalty u/s 271(1)(c) of the Act was levied on account of addition of Rs. 1,41,28,125/- made for

undisclosed investment in agricultural land u/s 69 of the Act. The addition was challenged before the Tribunal and the Tribunal vide its order dated 19.04.2018 has deleted the addition made u/s 69 of the Act. Since the addition for which the penalty u/s 271(1)(c) of the Act was levied, has been deleted, penalty does not survive. Therefore, the same may be deleted. Copy of the order of Tribunal deleting the addition is placed on record.

3. The ld. DR did not dispute the factual aspect.

4. Having carefully examined the order of the Tribunal in quantum and the order of the lower authorities, we find that the addition made on account of unexplained investment in agricultural land for which the impugned penalty was levied u/s 271(1)(c) of the Act, has been deleted by the Tribunal. Therefore, the impugned penalty is not sustainable in the eyes of law. We, therefore, set aside the order of the CIT(A) and delete the penalty levied u/s 271(1)(c) of the Act.

5. In the result, the appeal of the assessee stands allowed.

Order pronounced in the open court on 24.05.2018

Sd/-

(PRASHANT MAHARISHI)
ACCOUNTANT MEMBER

Dated: 24.05.2018

*Kavita Arora

Sd/-

(S.K. YADAV)
JUDICIAL MEMBER

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

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ASSISTANT REGISTRAR
ITAT NEW DELHI

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