

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'SMC' NEW DELHI**

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

ITA No. 121/Del/2024

Assessment Year: 2016-17

PN Securities Private Limited, J-1296, Sector-11, Rohini Palam vihar, Gurugram, Gurgaon-122017. PAN: AAACP 6864 E	<u>Vs</u>	ACIT Circle-19(2), Delhi.
APPELLANT		RESPONDENT
Assessee represented by	Shri Rajeev Saxena, Adv.; & Shri Dishant Sethi	
Department represented by	Shri Siddharth B.S. Meena, Sr. DR	
Date of hearing	16.12.2024	
Date of pronouncement	16.12.2024	

ORDER

PER SATBEER SINGH GODARA, JM:

This assessee's appeal for assessment year 2016-17 arises against National Faceless Appeal Centre (NFAC), Delhi's DIN and order no. ITBA/NFAC/S/250/2023-24/1059185949(1), dated 29.12.2023, in case no. CIT(A), Delhi-7/10415/2019-20, in proceedings u/s 271(1)(c) of the Income-tax Act, 1961, hereinafter referred to as the 'Act'.

Heard both the parties. Case file perused.

2. Coming to the assessee's sole substantive grievance herein i.e. challenging both the lower authorities' action in levying and sustaining section 271(1)(c) penalty of Rs. 4,36,907/-, it emerges during the course of hearing with the able assistance coming from both the parties that the same pertains to corresponding

quantum disallowance of loss amounting to Rs. 14,13,938/- made by the Assessing Officer on account of the fact that its relevant system of accounting did not represent the true picture of the corresponding assessable income.

3. Faced with this situation, learned DR could hardly dispute that such a debatable issue of addition arising from change in method of accounting would not per se amount to either concealment of income or furnishing of inaccurate particular of income being a bona fide mistake, and therefore, I quote CIT v. Reliance Petroproducts Pvt. Ltd. (2010) 322 ITR 158 (SC) that quantum and penalty proceedings are parallel proceedings wherein each and every addition/disallowance made in the course of former does not ipso facto attract the latter penalty provision, to delete the impugned penalty in very terms. Ordered accordingly.

4. This assessee's appeal is allowed in very terms.

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

MP

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI