

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

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL
MEMBER**

AND

SHRI MANISH AGARWAL, ACCOUNTANT MEMBER

**ITA No.3957/Del/2025
[Assessment Years:2016-17]**

M/s T.C. Healthcare Pvt. Ltd. C/o-Kashyap & Co. 114/214, Citi Centre, Begum Bridge Road, Meerut, Uttar Pradesh-250001	Vs	Income Tax Officer, Ward-25(1), C.R. Building, ITO, IP Estate, New Delhi-110002
PAN-AAACT3701G		
Appellant		Respondent

Appellant by	Shri Premjit S. Kashyap, FCA
Respondent by	Shri Manish Gupta, Sr. DR

Date of Hearing	17.11.2025
Date of Pronouncement	17.11.2025

ORDER

PER SATBEER SINGH GODARA, JM

This assessee's appeal for Assessment Year 2016-17 arises against National Faceless Appeal Centre/Commissioner of Income Tax (Appeals)[in short the "CIT(A)"], New Delhi's order dated 13.05.2025 passed in Case No. NFAC/2015-16/10125861

involving proceedings under section 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 ground challenging both the lower authority's action imposing section 271(1)(c) penalty(ies) amounting to Rs.4,86,860/- and 20,080/- relating to as many quantum disallowance is under the head gifts/presentation expenses and penalty paid on excise duty, respectively, it transpires at the outset during the course of hearing that the Assessing Officer had framed his assessment on 26.12.2018 to this effect which stood upheld in the CIT(A)'s lower appellate discussion. The matter then travelled to this Tribunal, wherein, the above latter issue of penalty payment on excise duty stood restricted to Rs.64,360/- than that in the earlier round amounting to Rs.1,26,696/-.

3. It is in this background that both the learned lower authorities have held the assessee to have concealed and furnished its inaccurate particulars of income to levy section 271(1)(c) penalty. The Revenue could hardly dispute that both the impugned quantum disallowances have been made after rejecting the assessee's detailed explanation all along which

could not be either termed as an instance of concealment or furnishing of inaccurate particulars of income as per the lordships land mark decision in CIT vs Reliance Petroproducts (P.) Ltd. [2010] 322 ITR 158 (SC). Hon'ble Apex Court has further settled the issue that quantum and penalty are separate proceedings wherein each and every disallowance/additions made in course of former does not automatically result in invocation of the latter provision. We thus find merit in the assessee's instant sole substantive ground to delete the impugned penalty in very terms.

4. The assessee's appeal is allowed.

Order pronounced in the open court on 17th November, 2025.

Sd/-
[MANISH AGARWAL]
ACCOUNTANT MEMBER

Dated: 17.11.2025

Shekhar

Sd/-
[SATBEER SINGH GODARA]
JUDICIAL MEMBER

Copy forwarded to:

1. Appellant
2. Respondent
3. PCIT
4. CIT(A)
5. DR

Asst. Registrar,
ITAT, New Delhi,