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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 620/2016

PR. COMMISSIONER OF INCOME TAX (CENTRAL), DELHI-3
..... Appellant

Through: Mr.Asheesh Jain, Sr.Standing Counsel with Mr.Yudhvir Singh, Adv.

versus

M/S PRAKASH INDUSTRIES LTD. ..... Respondent

Through: Mr.Sachit Jolly, Advocate

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE NAJMI WAZIRI

O R D E R

% 20.09.2016

The revenue's appeal challenges an order of the Income Tax Appellate Tribunal (ITAT) which affirmed the CIT (A)'s order. The appellate commissioner had accepted the assessee's plea that in the circumstances of the case, the penalty imposed under Section 271 (1) (c) was not warranted.

It is urged by the revenue that given the facts of the case, whereby the valuation report in respect of the sale of the property upon its construction was accepted, which led to the addition and especially having regard to the finality attached to the addition which resulted in assessment of the newly added income, the defence was unmerited. The assessee which has put in appearance on advance notice, on the other hand, contends that in somewhat similar circumstances, this court in ***Commissioner of Income Tax vs. Puneet***

***Sabharwal*, 2011 338 ITR 485 (Delhi)** had upheld the plea of the assessee that the valuation report cannot be the sole basis of an addition, much less result in penalty.

Having regard to the decision in ***Puneet Sabharwal***'s case (*surpa*) and also having regard to the fact that the CIT (A) and ITAT have both held that penalty was not justified in the circumstances of the case, this court is of the opinion that no substantial question of law arises.

The appeal is therefore dismissed.

S. RAVINDRA BHAT, J

NAJMI WAZIRI, J

SEPTEMBER 20, 2016
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