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

\+ ITA 316/2018, C.M. APPL.10606/2018

THE PR. COMMISSIONER OF INCOME TAX -4..... Appellant
Through : Sh. Ruchir Bhatia, Sr. Standing Counsel.

versus

M/S GLOBAL VANTEDGE PVT. LTD. ..... Respondent
Through : None.

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE A. K. CHAWLA

<u>O R D E R</u>

% 19.03.2018

The imposition of penalty under Section 271(1)(c) of the Income Tax Act, 1961 [hereafter "the 1961 Act"] by the Assessing Officer (AO) in relation to the assessee, resulting in the addition of ₹83,88,635/-, is a subject matter of present appeal by the Revenue. It is urged that the Tribunal was not justified in directing deletion of penalty as it ignored the mandate of Explanation 7 to Section 271(1)(c). The addition ultimately made by the Revenue authorities [rather the CIT(A)] was in the course of determination of Arm's Length Price (ALP) under Section 92C of the 1961 Act. The AO added further amounts upon examination and analysis of the transfer pricing report and the application of Rule 10B.

Having regard to the overall circumstances, the Tribunal's reasoning that the question was debatable (more so since the original amounts added were reduced by the CIT(A) and further affirmed by the Tribunal) is reasonable. In the circumstances, no question of law arises.

The appeal is accordingly dismissed along with the pending application.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

MARCH 19, 2018/ajk