

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
INCOME TAX APPEAL NO.2253 OF 2009

The Commissioner of Income Tax ..Appellant.

V/s.

M/s. Glorious Realty Ltd ..Respondent.

Ms. Suchitra Kamble for petitioner.

Mr.Nishant Thakkar i/b. Mint& Confreres for respondent.

**CORAM : DR. D.Y.CHANDRACHUD  
AND J.P.DEVADHAR, JJ.**

**DATED : 5TH JANUARY, 2010**

**P.C. :-**

1. In the appeal by the revenue, the question of law is framed as follows :-

" Whether on the facts and circumstances of the case and in law, the ITAT is justified in deleting the penalty levied u/s.271(1)(c) of Rs.15,65,918/- without appreciating that the assessee had furnished inaccurate particulars within the meaning of Explanation (I) below section 271(1)(c) ? "

2. The Tribunal has come to the conclusion that the assessee has neither concealed its particulars of the income nor has it furnished inaccurate particulars of income and hence, the explanation to section 271(1)(c) was not attracted to the case. In the present case, it is an admitted position that the assessee claimed a deduction in respect of the interest expenditure claiming

it to be for the purpose of business. The deduction was disallowed. In these circumstances, it cannot be said that there was a concealment on the part of the assessee of material facts or a failure to disclose the same in the course of assessment proceedings. The Tribunal was justified in coming to the conclusion that no case is made out for imposition of a penalty as the assessee has not concealed its particulars of income nor has it furnished inaccurate particulars of income. No substantial question of law, therefore, arises. The appeal is dismissed with no order as to costs.

(J.P.DEVADHAR, J.)

(DR. D.Y.CHANDRACHUD, J.)