

SC in case of E. I. Dupont, has dismissed revenue's SLP against DHC order whereby following was held in context of section 271(1)(c) of the Act (where assessee claimed expenses in increase of authorised share capital as revenue expense which were consequentially disallowed, in its return for AY 1996-97 AND 1997-98):

"In the penalty proceedings both the Commissioner of Income Tax (Appeals) [for short the CIT(A)] as well as the Income Tax Appellate Tribunal (for short the Tribunal) were of the view that no information was withheld by the Assessee nor did the Assessee conceal any income or furnish inaccurate particulars so as to warrant the invoking of penalty proceedings. It was held by the Tribunal that at best it was an inaccurate computation of taxable income under the provisions of the Act and an application of wrong law by the Assessee....It does appear that the Assessee did not furnish inaccurate particulars nor did the Assessee conceal its income but merely applied the inaccurate legal position in its return."