Principal Commissioner of Income Tax 13, Kolkata v. Mr. Chetan Kumar Tekriwal (HUF)

ITAT/176/2024 (IA No: GA/1/2024)

ITAT/176/2024 (IA No: GA/1/2024) (High Court at Calcutta, 2024-08-16) | 2024-08-16

Penalty deletion sustained where full disclosure was made and the claim was not shown false.

Income-tax Act,1961: sections 260A, 271(1)(c)

High Court at Calcutta | 2-judge bench (Division Bench) | Chief Justice T.S. Sivagnanam | Justice Hiranmay Bhattacharyya

Assessment years: 2015-16

01 FACTS OF THE CASE

Revenue appealed the Tribunal's 30 November 2023 order in ITA 705/Kol/2022 concerning AY 2015-16 and penalty on the assessee HUF.

Source: PDF p.1

02 DISCUSSION BY THE HON'BLE COURT

The Court found that the AO had not demonstrated falsity of the claim during either assessment or penalty proceedings. The Tribunal had relied on Reliance Petroproducts.

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03 JUDICIAL DECISION

The Tribunal's decision was upheld: the assessee fully disclosed particulars in the return, and section 271(1)(c) was not attracted on these facts.

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04 OUTCOME / IN WHOSE FAVOUR

Revenue appeal dismissed; substantial question answered against Revenue and connected application closed.

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05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

Identify the missing factual premise for penalty: The decisive finding was the absence of demonstrated falsity together with full disclosure. A penalty response should connect the claim to the particulars actually returned and the AO's findings. Mere rejection of a claim and a finding that the particulars are false are different evidentiary propositions; the Court sustained relief on the latter's absence here. (PDF p.2)

Penalty relief does not determine the underlying claim: The order does not identify the nature or amount of the claim, the quantum addition or its ultimate tax treatment. It therefore supports the stated penalty conclusion, not a substantive deduction or exemption for an assumed transaction. Those details must come from the underlying record before applying the decision to another case. (PDF pp.1–2)

Read the operative provision accurately: Page 1 prints "1971" for the Act and "171(1)(c)" in the issue, while the operative reasoning on page 2 expressly applies section 271(1)(c). The note follows that operative provision. The decision does not address later penalty regimes or establish immunity whenever a figure appears in a return. (PDF pp.1–2)

Source: PDF p.2

SOURCE & VERIFICATION

Original High Court judgment PDF — AKHB source repository

Complete 2-page original reviewed; source bytes verified.

Full original and all five panels re-reviewed on 21 October 2026.

Open cited source rendition

Complete original source and all five note panels checked; original docket identities preserved.

STATUTORY SCOPE

Current law and subsequent treatment not independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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