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IN THE INCOME TAX APPELLATE TRIBUNAL
PATNA BENCH, PATNA

Before Sh. N. K. Saini, AM and Sh. Sudhanshu Srivastava, JM

ITA Nos.95& 96/Pat./2016, Asstt. Year :2013-14 & 2014-15

The managing Director Sitamarhi Central Co-op. Bank Ltd., Sitamarhi.	Vs	Director of Income-tax (1& CI), Patna (Bihar)
(APPELLANT)		**(RESPONDENT)**
PAN No. PTNC00565F		

Assessee by :Shri Sanjeev Kr. Anwar , Adv.
Revenue by : Shri Abhay Kumar, Sr. D.R.

Date of Hearing : 15.03.2018		**Date of Pronouncement : 16 .03.2018**

ORDER

Per Sudhanshu Srivastava, JM:

Both these appeals have been filed by the assessee and challenge the action of the Ld. Director of the Income-tax (Intelligence and Criminal Investigation-Patna) imposing penalty u/s 271FAA of the Income-tax Act, 1961 (hereinafter referred to as "the Act"). ITA No. 95/Pat/16 pertains to assessment year 2013-14 and the impugned penalty amounts to Rs.50,000/- whereas ITA No.96/Pat/2016 pertains to assessment year-2014-15 and the impugned penalty amounts to Rs.50,000/-.

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2. The Ld. AR submitted that section 271FAA of the Act was introduced in the Income-tax Act vide Finance (No.2) Act, 2014 w.e.f. 01.04.2015 and, therefore, the penalty would not be attracted for a period prior to 01.04.2015. It was submitted that the impugned years are 2013-14 and 2014-15 and, therefore, the Ld. Director of Income-tax (I & CI) had erred in imposing the penalty. Our attention was also drawn to Para 56.6 of the Memorandum explaining the provisions of Finance (No.2) Act of 2014 and it submitted that as per the Memorandum also the amendment was to take effect from 01.04.2015 and the same was not retrospective.

3. In response, the Ld. Sr. D.R. placed reliance on the order of the Ld. Director of Income tax I& CI.

4. We have heard the rival submissions and have also perused the material on record. It is undisputed that the impugned penalties have been imposed for assessment years 2013-14 and 2014-15 u/s 271FAA of the Act whereas this section was brought into the Statute by Finance(No.2) Act, 2014 w.e.f. 01.04.2015 only and was not made retrospective. Thus, the Ld.

Director of Income-tax (I & CI) has imposed the impugned penalties by invoking provisions of a section which was not in-operation for the years under consideration. Therefore, it is our considered opinion that the penalties in both the years could not have been imposed. Accordingly, we allow the assessee's appeals and delete the penalties for both the years under consideration.

5. In the result, both the appeals of the assessees stand allowed.

(Order Pronounced in the Court on 16/03/2018)

Sd/-
(N.K. Saini)
ACCOUNTANT MEMBER

Sd/-
(Sudhanshu Srivastava)
JUDICIAL MEMBER

Dated: 16 /03/2018
s.sinha*

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1. Appellant The Managing Director Sitamarhi Central Co-op. Bank Ltd
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
Private Secretary
Income Tax Appellate Tribunal
Patna Bench, Patna