



* IN THE HIGH COURT OF DELHI AT NEW DELHI

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ITA 1219/2007

COMMISSIONER OF INCOME TAX Appellant
Through Ms. Prem Lata Bansal, Advocate

versus

KESHO RAM INDUSTRIES Respondent
Through Mr. Johnson Bara, Advocate

CORAM:

HON'BLE DR. JUSTICE S. MURALIDHAR

HON'BLE MR. JUSTICE SUDERSHAN KUMAR MISRA

ORDER

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14.12.2007

The Revenue has filed this appeal under Section 260-A of the Income Tax Act, 1961 ('the Act') against an order dated 9th March, 2007 passed by the Income Tax Appellate Tribunal, Delhi Bench 'F', New Delhi ('Tribunal' in ITA No. 4368/Del/2004 for the Assessment Year 2001-02.

The Assessee is engaged in trading of stainless steel coils and sheets which are imported as scrap. While finalizing the assessment order for the Assessment Year in question, the Assessing Officer ('AO') made an addition of Rs.51,46,381/- on account of understatement of sales figures. Thus he did after setting out in the Assessment Order the details of the invoices pertaining to different grades of stainless steel coils and sheets. The AO appeared to have based his decision on the fact that on the same day and for



the same quality of the goods different rates had been mentioned in the bills.

The Assessee went in appeal before the Commissioner of Income Tax (Appeals) ['CIT(A)']. After examining the records, the CIT (A) held that all the purchases and sales were admittedly vouched; the sales were effected to the established dealers and mostly on credit duly verifiable from them and the accounts were being maintained regularly on the same basis on which were accepted in earlier years. The CIT (A) noticed that no fresh material or evidence had been brought on record by the AO to show that the gross profit rate shown by the Assessee was low. Accordingly, the CIT (A) deleted the addition.

It may be mentioned here that for a previous Assessment Year 2000-2001, the case was remanded by the ITAT to the AO in view of some additional evidence sought to be led by the Assessee in terms of Rule 46A of the Income Tax Rules, 1962.

In the present case, in the further appeal filed by the Revenue before the Tribunal, it was sought to be urged that the case should be remanded to the AO in view of the order passed in relation to the Assessment Year 2000-01. However, it was pointed out by learned counsel for the Assessee before the Tribunal that the present case did not involve any additional evidence



adduced by the Assessee. The documents relevant for the Assessment Year 2001-2002 were already on record. These had been examined in detail by the CIT (A) and an opinion had been formed that the addition was not justified.

The Tribunal concurred with the opinion expressed by the CIT (A). The Tribunal held that the view taken by the AO was not based on any material or evidence which would go to justify that the figures of sales submitted by the Assessee were false.

Ms. Prem Lata Bansal, learned senior standing counsel appearing for the Revenue took us through the assessment order. We have also examined in detail the orders of the CIT (A) as well as the Tribunal. We find no perversity in these orders.

No substantial question of law arises in this appeal.

Dismissed.

S. MURALIDHAR, J

SUDERSHAN KUMAR MISRA, J

DECEMBER 14, 2007

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