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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ ITA 1400/2010

THE COMMISSIONER OF
INCOME TAXThrough Appellant
Mr. Sanjeev Sabharwal, Senior
Standing Counsel.

versus

FLAWLESS HOLDING &
INDUSTRIES LTD.Through Respondent
Mrs. Kavita Jha, Advocate

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Date of Decision: 17th September, 2010**CORAM:****HON'BLE THE CHIEF JUSTICE****HON'BLE MR. JUSTICE MANMOHAN**

1. Whether the Reporters of local papers may be allowed to see the judgment? No.
2. To be referred to the Reporter or not? No.
3. Whether the judgment should be reported in the Digest? No.

MANMOHAN, J:

1. The present appeal has been filed under Section 260A of the Income Tax Act, 1961 (hereinafter referred to as "Act, 1961") challenging the order dated 23rd September, 2009 passed by the Income Tax Appellate Tribunal (for brevity "Tribunal") in ITA No. 1494/Del/2008 for the Assessment Year 2001-02.

2. Mr. Sanjeev Sabharwal, learned senior standing counsel for the Revenue submitted that the Tribunal had erred in law in deleting the addition of ₹ 21,81,983/- made by the Assessing Officer (for short



‘AO’) on account of income from undisclosed sources.

3. However, upon a perusal of the file we find that the said addition was deleted both by the Commissioner of Income Tax (Appeals) and Tribunal on the ground that the respondent-assessee had sold the shares during the last Assessment Year 2000-01 and the income arising therefrom had been accepted by the Department in that year. Further, we find that the Department has not controverted the charge of the assessee that additions were made on general statements and more importantly, no opportunity for cross-examination was provided to the assessee and hence, assessment order has been rightly set aside.

4. Consequently, in our opinion, there is no scope for interference with the impugned order. Accordingly, the present appeal is dismissed in *limine*.

MANMOHAN, J

CHIEF JUSTICE

SEPTEMBER 17, 2010

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