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

+ ITA 1050/2017

PRINCIPAL COMMISSIONER OF INCOME TAX-2, AGRA

..... Appellant

versus

M/S CHITRAKOOT MERCHANDISE PVT. LTD.

..... Respondent

+ ITA 1052/2017 & CM No.42541/2017

PRINCIPAL COMMISSIONER OF INCOME TAX-2, AGRA

..... Appellant

versus

M/S CHITRAKOOT MERCHANDISE PVT. LTD. .... Respondent

**Present:** Mr. Sanjay Kumar, Jr. Standing Counsel with Mr. Rahul Chaudhary, Sr. Standing Counsel for appellant.  
None for respondent.

**CORAM:**

**HON'BLE MR. JUSTICE S. RAVINDRA BHAT**

**HON'BLE MR. JUSTICE SANJEEV SACHDEVA**

**ORDER**

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**27.11.2017**

1. The Revenue is aggrieved by the order of the ITAT which had reversed the findings of the lower authorities. It is contended that the additions made in the course of search assessment under Section 68 of the Income Tax Act, 1961 (hereafter referred to as 'the Act') were valid and justified having regard to the facts and circumstances of the case.



2. The premises of one "Rajdarbar Group" were searched on 31.07.2008. Certain documents were seized – which belonged to the assessee company. Notice was issued under Section 153C of the Act on 23.07.2010 to the assessee which responded subsequently by filing return of income for the concerned assessment years. The assessee was subjected to notice under Section 143(2) of the Act. The AO completed the assessment by adding substantial amounts for both the years in question i.e. 2003-04 and 2004-05. The assessee was aggrieved and approached the CIT(A); affirmed the AO's orders and therefore appealed to the ITAT.

3. The ITAT was of the opinion that though incriminating materials were seized, they could not have led to the additions made under Section 68 of the Act. The ITAT relied upon *Commissioner of Income Tax v. Kabul Chawla* 380 ITR 573.

4. This Court is of the opinion that no substantial question of law arises because the ITAT merely applied the law declared in *Kabul Chawla* (supra).

The appeals are, therefore, dismissed.

  
S. RAVINDRA BHAT, J

  
SANJEEV SACHDEVA, J

NOVEMBER 27, 2017

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