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

\+ ITA 1122/2017

THE PR. COMMISSIONER OF INCOME TAX (CENTRAL) -1

..... Appellant

Through: Mr. Ruchir Bhatia, Adv.

versus

M/S ASCOT INVESTMENT ..... Respondent

Through: Mr. Ved Jain, Ms. Rano Jain, Mr. Pranjal Srivastava and Ms. Devina Sharma, Advs.

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE SANJEEV SACHDEVA

O R D E R

% 08.12.2017

In this appeal under Section 260A of the Income Tax Act, 1961, the Revenue is aggrieved by the order of CIT(A). So far as the merits are concerned, the additions made by the AO therefore, on the basis of a search conducted. The additions against the third party were directed to be deleted concurrently. The assessee has objected to the assumption of jurisdiction contending that no separate satisfaction has been recorded by the AO under Section 153C. On this aspect, the CIT(A) ruled against the assessee and in favour of the Revenue holding that the assumption of jurisdiction was valid. The ITAT however reversed that part of the finding but concurred with CIT (Appeals) that on merits the additions could not be sustained.

The ITAT affirmed the finding on the merits; in other words, the amount brought to tax were held to be unwarranted; further reversed the finding with respect to the assumption of jurisdiction, concluding that no satisfaction had been recorded. Over and above, it was noticed that in the absence of incriminating material, the additions could not have been sustained – on an application of *Commissioner of Income Tax Vs. Kabul Chawla* 380 ITR 573.

We, however, noticed that ITAT followed the judgment of this Court in *CIT Vs. RRJ Securities Ltd* dated 30.10.2015 ITA No. 164 of 2015. However, the effect of that judgments and in what circumstances a separate satisfaction note is inessential, has been explained in later judgment of the Court in *Ganpati Fincap Services Pvt. Ltd. Vs. CIT* (2017) 395 ITR 692 (Del). However, nothing turns on this aspect in the present case, in view of the concurrent findings of fact with respect to the validity of additions made.

Given the above circumstances especially considering on merits that the additions were not sustained concurrently, the Court holds that no substantial question of law arises. The appeal is, therefore, dismissed.

S. RAVINDRA BHAT, J

SANJEEV SACHDEVA, J

DECEMBER 08, 2017
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