$~53 & 55

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

\+ ITA 528/2018

PR. COMMISSIONER OF INCOME TAX (CENTRAL) - 2 ..... Appellant

versus

M/S KP POUCHES PVT. LTD. ..... Respondent

\+ ITA 530/2018

PR. COMMISSIONER OF INCOME TAX (CENTRAL) – 2GHT_C ..... Appellant

versus

M/S KP POUCHES PVT. LTD. ..... Respondent

Present: Mr. Zoheb Hossain, Sr. Standing Counsel for Revenue.
None for the respondent.

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE A. K. CHAWLA

O R D E R

% **07.05.2018**

The Revenue questions orders of the Income Tax Appellate Tribunal (ITAT) which had upheld the relief granted to the assessee for A.Y. 2005-06 and A.Y. 2006-07. The amounts were added by the Assessing Officer (AO) on the basis of inferences drawn in the course of search and seizure proceedings, pursuant to notice under Section 153A of the Income Tax Act, 1961 (hereafter referred to as 'the Act').

The CIT(A), whom the assessee approached, partially granted relief. Both parties approached the ITAT which accepted the assessee's cross-objection and upheld the CIT(A)'s order, with respect to cancellation of the amounts brought to tax. The ITAT ruled – correctly in the opinion of the Court – that in the absence of incriminating materials seized in the search proceedings under Section 132 of the Act, the amounts could not have been brought to tax as they were in the present case; the ITAT applied the ruling in *CIT v. Kabul Chawla (2016)* 380 ITR 573.

No substantial question of law arises. The appeals are dismissed.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

MAY 07, 2018
kks