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

\+ ITA 643/2018 & CM APPL. 22622/2018

PR. COMMISSIONER OF INCOME TAX (CENTRAL)- 2

..... Appellant

Through: Mr. Zoheb Hossain, Sr. Standing Counsel for the Revenue.

versus

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

Through:

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

<u>O R D E R</u>

% **28.05.2018**

The Revenue questions orders of the Income Tax Appellate Tribunal (ITAT) which had upheld the relief granted to the assessee for Assessment Year 2007-08. The amounts were added by the Assessing Officer 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 '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 vs. Kabul Chawla,* (2016) 380 ITR 573.

No substantial question of law arises. The appeal is dismissed along with the pending application.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

MAY 28, 2018
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