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

\+ ITA 24/2026 CM APPL. 2924/2026 CM APPL.2925/2026

PR COMMISSIONER OF INCOME TAX 4 NEW DELHI

.....Appellant

Through: Mr. Shlok Chandra, Sr. Std. Counsel with Ms. Naincy Jain, Ms. Madhavi Shukla, Jr. SCs and Mr. Udit Dad, Advocate.

versus

HARYANA CITY GAS DISTRIBUTION PVT LTD

.....Respondent

Through: None.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE VINOD KUMAR

O R D E R

% **16.01.2026**

1. The present appeal arises out of the order dated 07.11.2023 passed by the learned Income Tax Appellate Tribunal (*hereinafter referred to as 'ITAT'*), whereby the appeal filed by the appellant-Income Tax Department was rejected.

2. The facts giving rise to the present appeal are that respondent-assessee is supplier of CNG and during the course of assessment proceedings, the

Assessing Officer (*hereinafter referred to as 'AO'*) made certain additions by way an order dated 30.12.2016 alleging that there was no opening and closing stock, so also the fact that there is a huge difference in quantity of purchase *vis-a-vis* sale.

3. When the assessee preferred an appeal against the afore order passed under Section 143(3) of the Income Tax Act, 1961 (*hereinafter referred to 'the Act of 1961'*), his appeal was allowed by the Commissioner of Income Tax [Appeals], New Delhi (*hereinafter referred to 'CIT(A)'*) vide order dated 16.07.2018, *inter alia* observing that some process/transitional loss as claimed by the respondent-assessee cannot be ruled out. The Appellate Commissioner also allowed the plea of the assessee that there was some self-consumption.

4. The Department preferred an appeal thereagainst before the Appellate Tribunal, which dismissed the Department's appeal while observing that they agreed with the findings of the CIT(A).

5. Learned counsel for the appellant-Department argued that the Tribunal was not justified in rejecting the appeal by simply observing that they agree with the findings of the CIT(A). He further submitted that the plea of the process loss was taken by the assessee only before the CIT(A) appeal and not before the AO, hence it was not tenable.

6. We have heard learned counsel for the appellant. On perusal of the record and upon hearing Mr. Shlok Chandra, we are of the view that the issue sought to be canvassed before us are essentially finding of facts, which do not give rise to any question much less substantial questions of law. Both the issues, which have been found by the authorities below that there was process loss and that there has been self-consumption which cannot be

examined by this Court under its appellate jurisdiction given under Section 260A of the Act of 1961.

7. The appeal along with pending applications is dismissed.

DINESH MEHTA, J

VINOD KUMAR, J

JANUARY 16, 2026/dd