Principal Commissioner of Income Tax, Central-4 v. Maneesh Pharmaceuticals Pvt. Ltd.

Income Tax Appeal No. 1033 of 2024 with Interim Application No. 7 of 2026

2026:BHC-OS:5036-DB | 2026-02-23

Search assessment additions (ALP interest adjustment, section 10B disallowance, and section 68 share capital/premium) deleted in absence of incriminating material following Abhisar Buildwell.

Income-tax Act, 1961: sections 10B and 68; search-assessment questions governed by the cited Abhisar Buildwell decision

High Court of Judicature at Bombay | 2-judge bench (Division Bench) | G. S. Kulkarni, J. | Aarti Sathe, J.

Assessment years: 2007-08

Precedent-based disposal; no separate merits approval

Both sides accepted that Abhisar Buildwell covered the questions. The order does not independently decide the ALP calculation, section 10B eligibility or genuineness of the share capital and premium.

01 FACTS OF THE CASE

The Revenue appealed against the ITAT order dated 25.10.2021 for AY 2007-08, which had deleted three search-assessment additions on the ground that they were not based on incriminating material found during the course of search: (i) Rs. 22,80,195 towards arm's-length price adjustment on interest on loan to associated enterprises; (ii) Rs. 3,07,34,644 towards disallowance of deduction under section 10B; and (iii) Rs. 1,07,11,33,200 under section 68 (comprising Rs. 70,42,000 share capital and Rs. 1,06,40,91,200 share premium). The Revenue's memorandum of appeal relied on the pendency of its SLP against All Cargo Global Logistics (SLP Civil Nos. 5254-5265 of 2016).

Source: Paragraphs 1-2; PDF pp. 1-2

02 DISCUSSION BY THE HON'BLE COURT

Counsel for the respondent-assessee submitted at the outset that the questions framed by the Revenue stood squarely covered against the Department by the Supreme Court decision in Principal Commissioner of Income-tax, Central-3 v. Abhisar Buildwell (P.) Ltd., (2023) 149 taxmann.com 399 (SC). Counsel for the Revenue did not dispute that legal position. Recording this undisputed position, the Division Bench held that the appeal stood squarely covered by Abhisar Buildwell.

Source: Paragraphs 3-5; PDF p. 2

03 JUDICIAL DECISION

The Income-tax Appeal was disposed of as squarely covered by the Supreme Court decision in Abhisar Buildwell, with no order as to costs, and Interim Application No. 7 of 2026 for early hearing was disposed of as not surviving.

Source: Paragraphs 5-7; PDF p. 2

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (Maneesh Pharmaceuticals Pvt. Ltd.). The ITAT's deletion of the three additions for AY 2007-08 in the absence of incriminating search material remained undisturbed.

Source: Paragraphs 5-7; PDF p. 2

05 EXPERT COMMENTS

Identify the common ground of disposal — The three additions concerned different subjects, but the appeal was disposed of because both counsel accepted coverage by Abhisar Buildwell. The precedential point is the application of that controlling decision to the framed search questions; the brief order supplies no fresh analysis of the Supreme Court's full reasoning.

A surviving deletion is not merits certification — The result leaves the Tribunal's relief intact on interest adjustment, section 10B and section 68. It does not certify the loan's arm's-length rate, the deduction's substantive conditions or every investor's creditworthiness. Those distinct questions should not be treated as affirmatively decided merely because Revenue obtained no interference.

Build the comparison from the actual search record — For another case, compare the framed issue and supporting search material with the controlling authority and the relevant assessment history. This two-page order does not set out a detailed abatement analysis or adjudicate alternative reassessment powers. Such propositions require the primary authority and their own factual foundation.

Keep the procedural endpoint precise — The appeal was disposed of, with no costs; the early-hearing application did not survive. The Revenue memorandum's reference to a pending All Cargo challenge is background to the questions, not a verified statement of that proceeding's later status. Subsequent treatment remains unchecked.

Source: Editorial analysis; sources identified in the structured comments

SOURCE & VERIFICATION

Bombay High Court official signed order PDF - AKHB Cloud Repository

Complete 2-page original reviewed; scope and source anomalies stated below.

All 2 source pages read and visually inspected; original hash verified. AI-assisted substantive review.

Open cited source rendition

Source bytes and identity checked; see panel-specific source references.

STATUTORY SCOPE

The order expressly identifies sections 10B and 68 and applies Abhisar Buildwell to the stated search questions; it does not separately analyse the substantive additions.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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