Pr. Commissioner of Income Tax (Central)-2 v. Heaven Suppliers Pvt. Ltd.

ITA 552/2023 with ITA 553/2023 (CM Nos. 49728-30/2023)

2023:DHC:7505-DB; ITA 552/2023 and 553/2023 | 2023-09-25

Section 68 additions following a section 153C notice: concurrent genuineness findings and linked search decision leave no substantial question of law.

Income-tax Act, 1961: sections 68, 132, 143(3) and 153C

High Court of Delhi | Division Bench | Rajiv Shakdher, J. | Girish Kathpalia, J.

Assessment years: 2011-12, 2012-13

01 FACTS OF THE CASE

A J.P. Minda Group search on 20 September 2013 led to a section 153C notice dated 29 January 2016 and a return under protest. The 31 March 2016 assessment added Rs.1.05 crore protectively and Rs.33,77,29,500 substantively for AY 2011-12, and Rs.6.60 crore protectively for AY 2012-13. Revenue challenged ITAT's common order of 2 December 2022 in ITA 552/2023 and 553/2023 respectively.

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02 DISCUSSION BY THE HON'BLE COURT

CIT(A) found investments in J.P. Minda Group companies genuine, without collateral payments or cash deposits funding them. ITAT affirmed because Revenue brought no material to controvert those findings. Revenue's counsel also placed the 26 September 2022 Jay Fe Cylinder decision, including ITA 360/2022, before the Court; it recorded absence of incriminating material concerning the investment companies.

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03 JUDICIAL DECISION

Considering the concurrent findings and the coordinate Bench's dismissal in the linked matter, the Court held that no substantial question of law arose and closed both appeals. It separately condoned the 120-day refiling delay in each appeal.

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04 OUTCOME / IN WHOSE FAVOUR

Deletion of both protective and substantive additions for the two appealed assessment years remained undisturbed. AY 2013-14 appeared in the Tribunal's common order but was not one of these two High Court appeals.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

Concurrent findings supply the decisive factual foundation — The result rests on positive findings of genuine investments, no collateral payments and no cash deposits funding the transactions, followed by Revenue's failure to rebut them. For a comparable appeal, the useful exercise is to identify the specific findings and contrary evidence, if any. A bare allegation of accommodation entries does not reproduce the evidentiary contest recorded here.

The search connection reinforces rather than replaces that foundation — Jay Fe Cylinder was expressly linked through CIT(A)'s order and placed before the Court by Revenue. The judgment combines that search-related decision with the concurrent findings; it does not separately formulate every jurisdictional prerequisite of section 153C or declare all search additions invalid. Comparable reliance therefore requires checking the relationship between the seized material, investment companies and disputed transactions.

Keep the appeal and addition boundaries separate — ITA 552 concerns AY 2011-12 and includes both protective and substantive amounts; ITA 553 concerns AY 2012-13 and the recorded protective amount. The Tribunal also dealt with AY 2013-14, but that does not extend this disposition to a third High Court appeal. Refiling delay was condoned, so closure was based on the absence of a substantial legal question, not a limitation dismissal.

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SOURCE & VERIFICATION

High Court of Delhi source judgment/order

Complete 4-page source PDF; corrected note based on this document.

All 4 original pages read and visually inspected; all five panels audited.

Open cited source rendition

All four original pages read and visually inspected; neutral citation confirmed from page images.

STATUTORY SCOPE

Source-era statutory provisions only; no Income-tax Act, 2025 equivalence asserted.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment has not been 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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