Pr. Commissioner of Income Tax -4 v. Manas Infratech Pvt Ltd

ITA 35/2026 (CM APPL. 4210-11/2026)

ITA 35/2026 (CM APPL. 4210-11/2026) (High Court of Delhi, 2026-01-21) | 2026-01-21

The Revenue appeal failed because no substantial question of law arose.

Income-tax Act, 1961: 153A, 260A

High Court of Delhi | Division Bench | Dinesh Mehta | Vinod Kumar

Assessment years:

Scope of this source order

The result rests on the evidential findings in this transaction, not a rule validating every tenancy-surrender payment.

01 FACTS OF THE CASE

Revenue challenged the Tribunal's 29 January 2025 order concerning Rs.8,39,30,000 added in connection with payment to Mr.Surya. CIT(A)'s 7 May 2015 order had deleted the addition. Its quoted findings addressed lack of evidence linking payments to four entities back to the assessee/IREO group, Surya's tenancy rights and his separately assessed receipts.

Source: Paras1–3, PDF pp.1–2

02 DISCUSSION BY THE HON'BLE COURT

The Tribunal had affirmed CIT(A)'s factual findings. Those findings recorded no evidence of money returning to group entities or negating tenancy rights, and Revenue's acceptance of Rs.28,11,38,000 as Surya's income in his own assessment. The Court found the challenged conclusion non-perverse and the issue factual, giving rise to no question of law.

Source: Paras3–5, PDF p.2

03 JUDICIAL DECISION

Revenue's appeal failed. Pending applications were disposed of; the deletion upheld by the Tribunal remained undisturbed.

Source: Paras5–6, PDF p.2

04 OUTCOME / IN WHOSE FAVOUR

Final assessee-favourable appellate result on the recorded facts. Rs.8,39,30,000 is the disputed addition here; the Rs.19.50 crore and Rs.28,11,38,000 figures in the quoted findings have different contexts and are not substituted for that addition.

Source: Paras2–6, PDF pp.1–2

05 EXPERT COMMENTS

Identify the missing evidential link — The concurrent findings concerned whether payments were connected back to the assessee or IREO group and whether Surya lacked tenancy rights. Revenue did not establish perversity in those findings. The case is therefore useful for analysing the actual evidential bridge in an addition, not for asserting that every payment to a tenant is automatically deductible.

Recipient assessment supports the record, not a universal immunity — The quoted CIT(A) order noted that Revenue had accepted Surya's receipts in his own assessment. That was one part of the cumulative findings, together with the absence of return-flow evidence. The High Court did not state a universal rule that taxation in the recipient's hands necessarily bars every adjustment for the payer.

Keep the three figures separate — The disputed addition was Rs.8,39,30,000; the quoted findings separately refer to Rs.19.50 crore paid to four entities and Rs.28,11,38,000 received by Surya. Conflating these would change the case's financial facts. No assessment year for this appeal is stated in the source.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

High Court of Delhi source judgment/order

Complete 2-page source PDF; corrected note based on this document.

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

Open cited source rendition

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

STATUTORY SCOPE

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

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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