Surjit Motors v. Income Tax Officer, Ward-1, Pathankot

ITA 432/2006

ITA 432/2006 | 2007-01-15

Unrecorded purchases and profit additions upheld on supported facts

260A | 263 | 143(2) | 271(1)(c)

High Court of Punjab and Haryana | Chandigarh | M.M. Kumar | Rajesh Bindal

Assessment years: 1996-97

01 FACTS OF THE CASE

Surjit Motors, a motor-parts firm, challenged additions following an unappealed section 263 remand concerning extra stock. The reassessment added unaccounted purchases and profit. The CIT(A) reduced the purchase addition, leaving Rs.2,75,153; the Tribunal retained that amount and Rs.71,081 profit addition but deleted a separate Rs.10,000 expense addition.

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02 DISCUSSION BY THE HON'BLE COURT

The High Court found no basis to overturn findings of purchases and related sales outside the books. Books had not been produced and negative stocks had been found. Those supported factual findings raised no substantial question of law under section 260A.

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03 JUDICIAL DECISION

The assessee's appeal was dismissed and the Tribunal's order upheld.

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04 OUTCOME / IN WHOSE FAVOUR

The two retained additions survived; the Tribunal's deletion of Rs.10,000 also remained intact. Mention of penalty initiation in the history is not a High Court penalty decision.

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05 EXPERT COMMENTS

Investment and trading profit were treated as distinct findings — The Court accepted the factual basis for unrecorded purchases and sales rather than deciding an abstract double-taxation question. It should not be cited as permitting duplicate additions on every set of facts. The particular stock findings and missing books explain why the challenge failed.

The unchallenged revision formed part of the procedural setting — The Tribunal referred to the section 263 remand not having been appealed. The High Court's own conclusion also rested on the supported factual findings. Keeping those reasons separate avoids portraying the result as solely a technical bar arising from the earlier non-appeal.

Do not restore the deleted item or turn initiation into penalty — The narrative distinguishes Rs.2,75,153 and Rs.71,081 retained additions from the Rs.10,000 deleted by the Tribunal. The question framed in the appeal uses a different aggregate figure, so no reconstructed total is asserted. Section 271(1)(c) appears only as initiation in the history, not a penalty upheld in this appeal.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

Punjab and Haryana High Court order; verified source copy

Complete source PDF reviewed: 4 physical pages.

All 4 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

Sections and disposition are recorded only to the extent stated in this source order.

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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