

**IN THE INCOME TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT
BEFORE SHRI PAWAN SINGH, JM & DR. A. L. SAINI, AM**

आयकर अपील सं./ITA No.174/SRT/2020

निर्धारण वर्ष/Assessment Year: (2016-17)

(Physical Hearing)

The DCIT, Circle-2(3), Surat.	Vs.	Vasantraj M. Desai HUF, Sui Falia, At Post Deladva, Via – Udhna, Taluka – Choryasi, Surat - 394210.
(Appellant)		(Respondent)
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AAEHV0477Q		

Appellant by	Shri Ashok B. Koli, CIT(DR)
Respondent by	Shri Rasesh Shah, CA with Shri Kaushik Dalal, CA
Date of Hearing	24/05/2023
Date of Pronouncement	26/06/2023

आदेश / O R D E R

PER DR. A. L. SAINI, AM:

Captioned appeal filed by the Revenue, pertaining to Assessment Year (AY) 2016-17, is directed against the order passed by the Learned Commissioner of Income Tax (Appeals)-1, [in short “the Ld. CIT(A)”], in Appeal No. CIT(A),Surat-1/10618/2018-19, dated 03.03.2020, which in turn arises out of an assessment order passed by Assessing Officer under section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as “the Act”), dated 17.12.2018.

2. The grounds of appeal raised by the Revenue are as follows:

“(i) On the facts and circumstances of the case and in Law, the Ld. CIT(A) has erred in deleting the addition made by the assessing officer on account of LTCG amounting to Rs.3,27,43,000/- after examining and analysing the transaction/details as also failure on the part of assessee to explain it.

(ii) On the facts and circumstances of the case and in Law, the Ld.CIT(A), Surat ought to have upheld the order of the Assessing Officer. It is, therefore, prayed

that the order of the Ld. CIT(A)-1 Surat may be set-aside and that of the Assessing Officer's order may be restored.

(iii) On the facts and circumstances of the case and in law, the appellant craves its right to add, alter, amend, deleted, any of the ground or grounds of appeal.”

3. The facts of the case which can be stated quite shortly are as follows: The assessee filed his original return of income for assessment year (AY) 2016-17 on 05.01.2017, declaring total income of Rs.9,75,88,090/-. The assessee's case was selected for limited scrutiny under CASS. Accordingly, notice u/s 143(2) of the Income tax Act was issued on 21.09.2017 and served upon the assessee. In response to the notices issued the assessee furnished the reply before the assessing officer, through e filing portal on ITBA. The reply furnished was examined by Assessing Officer and assessing officer observed that during the year under consideration, the assessee has derived income from Long-term capital gain and income from other sources. The assessee's case was selected under limited scrutiny for the verification of the large long-term capital gain and the difference in the value of the property as per the AIR and as reported in the income tax return. The assessee was supplied the reason and asked to furnish the explanation.

4. In response, the assessee submitted the working of the capital gain in which he has claimed that he has received only part payment and M/s Desai developers Pvt Ltd, received the remaining amount. In support of the claim, the copy of satakhat which was entered with the M/s Desai Developers Pvt Ltd for the sale of the land stating some terms and conditions. The satakhat was carefully examined by the assessing officer. The assessing officer observed that the terms and conditions were not fulfilled as per the terms and conditions mentioned in the satakhat.

5. However, in order to verify the genuineness of the claim of the assessee, the notice under section 133(6) of the I.T. Act, 1961 was issued

by Assessing Officer and the same was served on the assessee, and a copy said notice was also sent by post to the registered office of M/s Desai Developers Pvt Limited asking for the details of the transactions entered with the M/s Vasatitrai M. Desai HUF. However, the said physical letter was received back in the office of the assessing officer with a remark “left” and the no reply was received for the delivered e-mail. As the claim of the assessee could not be verified from the other party, therefore assessing officer issued a show cause notice to the assessee, which is reproduced by the assessing officer in the assessment order page nos. 2 to 5.

6. In response to the above show cause notice, the assessee submitted its reply dated 09.12.2018, which is reproduced by the assessing officer on page No.3 to 11 of the assessment order. In its reply, the assessee stated that Desai Developers Pvt Ltd is a party to sale deed as a conforming party as part three of the sale deed and the same is registered with the competent authority prescribed under the law of registration of document viz. Sub Registrar Surat. The Desai Developers Pvt Ltd have signed the documents of said sale, appeared before competent authority viz Sub Registrar Surat submitted its identification proof and necessary documents and after due verification by the Sub -Registrar Surat, have registered the document for sale at registration no SRT/2/UDN 6021 of 2015 dated. 07.05.2015. If the statkhat is not valid than how the Sub- Registrar Surat have allowed Desai Developers Pvt Ltd to become the conforming party to the sale document which is registered by him. In registered sale document page no 12 it is written “On the basis of the terms and condition laid down vide satakhat dated 28.10.2010, clause no. 6 between Desai Developers Pvt Ltd and Vasantraï Maganlal Desai HUF, party to the sale deed part second i.e. Vasantraï Maganlal Desai HUF have to do the sale of plot 4 and 5 to Desai Developers Pvt. Ltd. (conforming party to sale document and party to the

sale deed part third) or to the suggested party (Umiya Nagar Partnership Firm) as Desai Developers Pvt. Ltd. Accordingly the sale deed was executed in the favour of Umiya Nagar Partnership Firm (Buyer) first part to sale document with the consent of Desai Developers Pvt Ltd. Third part to sale document (As confirming party) which is registered at registration no. SRT/2/UDN 6021 of 2015 dated 07.05.2015 with Sub- Registrar Surat on 07.05.2015. Hence, transaction is genuine and addition should not be made based on conjectures and presumptions.

7. In reply to show cause notice issued, the assessee, has furnished before the assessing officer, the copy of the ITR, Audit report for the A.Y. 2016-17, copy of ledger from the books of account of M/s Desai Developers Pvt Limited along with the copy of MOA of the company. On perusal of the ITR and Audit report filed by M/s Desai Developers Pvt Limited, the assessing officer observed that the land transaction under verification was extended mutually on oral agreement which is not supported by the entries from the books of account of the M/s Desai Developers Pvt Limited. Therefore, Assessing Officer noted that terms and conditions of the Contract Act, 1872 have not been performed, by the parties, so the said land transaction was not genuine. Therefore assessing officer held that the foremost basic element, the genuineness of the satakhat and the identity of the other party was not established. The copy of the ledger accounts produced by the assessee does not match with the audited books of account of M/s Desai Developers Pvt Limited as available. So, the amount of sale consideration for the land was taken by the assessing officer at Rs.13,13,04,000/-, for the computation of capital gain income. As per assessee the sale consideration was at Rs.9,85,61,000/-, therefore Assessing Officer made addition of the difference amount of Rs.3,27,43,000/- (Rs.13,13,04,000- Rs.9,85,61,000).

8. Aggrieved by the order of the Assessing Officer, the assessee carried the matter in appeal before the Ld. CIT(A), who has deleted the addition made by the Assessing Officer. The Ld CIT(A) observed that assessing officer has doubted the sale agreement with M/s Desai Developers Pvt Limited (in brief M/s DDPL) and also the payments made by M/s DDPL. However, it has no relevance because the assessee has offered Rs.4,84,41,000/- being advance received from the said M/s DDPL for impugned land in computation of capital Gains. The Assessing Officer has not made any inquiry with the jurisdictional assessing officer of M/s. DDPL, before rejecting assessee's explanation. It can be seen that the advances paid by M/s DDPL as per Satakhat (Sale agreement) are mostly in cheques; and are verifiable from bank accounts and the details are also mentioned in sale, deed executed. It is further seen that the M/s DDPL is a corporate entity assessed to tax in Surat itself and it is easily verifiable whether the transaction are accounted in its books. Further in response to summon u/s 131 issued by assessing officer, Shri Rajnikant A. Desai, Director M/s DDPL affidavit narrating the sequence of events, facts and confirming the facts claimed by the assessee. In view of these, and documentary evidences on record the conclusion drawn by Assessing Officer the regarding genuineness of Satakhat and identity of M/s DDPL is not sustainable. Hence, Ld CIT(A) deleted the addition. Aggrieved by the order of Ld. CIT(A), the Revenue is in appeal before us.

9. Learned Departmental Representative (Ld. DR) for the Revenue, vehemently argued that M/s DDPL has not offered the amount to tax either as capital gain or as business income. Mere claiming the TDS credit reflected in form 26AS does not speak for the nature of transaction when it is unclear that the amount so received is offered to tax or not. The Ld DR also pointed out that as per Contract Act, the transaction is not valid

between the assessee and other party. Therefore, ld DR contended that addition made by the assessing officer may be sustained.

10. On the other hand, Shri Rasesh Shah, Learned Counsel for the assessee, begins by pointing out that M/s Vasantraï Maganlal Desai HUF enter into the agreement of satakhat on 28.10.2010 with Desai Developers Pvt Ltd for the sale of the land vide S.No.1/1 Block No.162 T P Scheme No 69 Gadodara Dindoli Final Plot 141, Dindoli. The advance payment for sale of land vide this agreement satakhat was received from Desai Developers Pvt Ltd on 28.10.2010, vide cheque no.775257 of Axis Bank Ltd for Rs.50,00,000/-. The copy of ledger account from the books of Desai Developers Pvt Ltd were submitted before AO, during the assessment proceedings. The copy of bank statement showing credit in the bank account of Vasantral Mganlal Desai HUF also submitted during the assessment proceedings. As per "satakhat" dated 28.10.2010, the terms and conditions were mentioned. The terms and condition number three mentions that this satakhat is valid for a period of two years from the date of satakhat and the same can be extended with the consent of both the parties. As there is no specified terms and condition laid down in the satakhat dated 28.10.2010 that extension of the satakhat can be extended only by written new agreement. Therefore, ld Counsel contended that transaction was done by the assessee within four corner of law, hence no addition should be made in the hands of the assessee.

11. We have heard both the parties and carefully gone through the submissions put forth on behalf of the assessee along with the documents furnished and the case laws relied upon, and perused the facts of the case including the findings of the ld. CIT(A) and other material brought on record. We note that assessee submitted before us the following documents and evidences:

- (1) Satakhat of the land at Dindoli, Surat (vide PB. 7 to 18)
- (2) Sale Deed of land at Dindoli, Surat (vide PB. 19 to 62)
- (3) Acknowledgment of Return of Income along with computation of total income (vide PB. 63 to 66)
- (4) Notice issued u/s 143(2) by the Assessing Officer (vide PB.67 to 70)
- (5) Notice issued by ADIT (I&CI) in case of Maliniben Desai (Co-owner of the assessee) (vide PB.71)
- (6) Letter filed by the Maliniben Desai (Co-owner of the assessee) (vide PB.72)
- (7) Notice issued u/s 142(1) by the Assessing Officer (vide PB.73 to 74)
- (8) Letter filed before Assessing Officer to submit reply (vide PB.75)
- (9) Notice issued u/s 142(1) by the Assessing Officer (vide PB.76 to 77)
- (10) Letter filed before Assessing Officer stating clarification and reply (vide PB.78)
- (11) Letter filed before Assessing Officer (vide PB.79)
- (12) Show cause notice issued by Assessing Officer (vide PB.80 to 81)
- (13) Letter filed before Assessing Officer (vide PB.82 to 93)
- (14) Bank statement of Central Bank of India from 01.09.2010 to 17.12.2014 (vide PB.94 to 98)
- (15) Relevant bank statement of Umiya Nagar Film (vide PB.99 to 101)
- (16) Notice published in Newspaper in regard to non-payment of consideration by DDPL and Umiya Nagar of said land sale (vide PB. 102)

- (17) Acknowledgement of return of income for AY.2016-17) (vide PB.103)
- (18) Company Master Data from MCA Portal of DDPL (vide PB.104)
- (19) Audit Report along with Audited Financial Statements (vide PB.105 to 118)
- (20) Tax Audit Report (vide PB.119 to 131)
- (21) Summons issued u/s 131 of the I.T. Act (vide PB.132)
- (22) Reply furnished by Desai Developers Pvt. Ltd. dated 10.12.2018 (vide PB. 133 to 135)
- (23) Affidavit filed by Authorized Director of Desai Developers Pvt. Ltd. (vide PB.136 to 143)
- (24) PAN Card (vide PB.144)
- (25) Memorandum and Article of association-DDPL (vide PB.145 to 170)
- (26) Relevant Bank Statement of Axis Bank (vide PB.171 to 178)
- (27) Ledger account of assessee from the books of Desai Developers Pvt. Ltd. from 01.04.2013 to 31.03.2016 (vide PB.179 to 183)
- (28) Ledger of Desai Developers Pvt Ltd. from the books of Umiya nagar Firm from 01.04.2013 to 31.03.2013 (vide PB. 184 to 187)
- (29) TDS Challans paid by Umiya Nagar Firm of Company (DDPL) (vide PB. 188)
- (30) Form No.26QB showing TDS of the company (vide PB.189)
- (31) Form No.26AS showing TDS paid by Umiya Nagar Firm for payment made to company (vide PB. 190 to 191)

(32) Index issued by competent Government Authority showing Desai Developers Pvt. Ltd. is a party to documents as seller (vide PB.192 to 193)

12. We have gone through the above documents and evidences and noted that M/s Desai Developers Pvt Ltd (in brief DDPL) is a party to the sale document, as per part three of the sale document, vide registration no SRT/2/UDN 6021 of 2015 dated 07.05.2015 registered with Sub Registrar Surat and in the said sale document buyer, M/s Umiya Nagar, have directly paid the consideration for giving consent, by Desai Developers Pvt Ltd, as conforming party, to the sale deed through proper channels and mentioned at page number 13, 14 and 15 in given table with Name of the Bank, cheque number, date and amount, TDS amount in table form, as third part of the sale document, as party to the sale document. As the payment is received by the conforming party, Desai Developers Pvt Ltd, as shown at sale deed vide page number 13, 14 and 15 and confirmed by the conforming party Desai Developers Pvt Ltd and received payment as per schedule given in sale document by signing the said sale document before the Sub- Registrar Surat at page no. 24, putting its identification at page no 30 and conforming at page no 41, with photo and thumb impression of authorize signatory, as director of Desai Developers Pvt Ltd, by Shri Rajnikant Ambelal Desai. Even as per section 34 of Registration Act, 1908 Schedule check list is also signed by Authorised signatory of Desai Developers Pvt Ltd, director, on page 25 of sale deed. After going through above facts it cannot be said that M/s Desai Developers Pvt Ltd is not the party to the sale document, as confirming party and not received any consideration for the said sale of land, vide plot no 4 and 5 of R.S. No. 1/1 Block No. 162 T.P. No. 69 Final Plot No. 141 Sub plot no 4 and 5 of Dindoli. Even the copy of INDEX issued by competent authority, sub-registrar office, SRO Udhna, is showing Desai Developers Pvt Ltd, as

name of person who did the said sale document and mentioned name of Desai Developers Pvt Ltd as party to the document, as seller.

13. Even, the ld CIT(A) in his appellate order has mentioned the relevant events and factual aspects of the transaction, which is as follows:

- I. Land measuring 16413 sqm being plots no. 4 & 5 Rs No. 162 ITP scheme 69 of Dindoli Surat was sold by assessee to M/s Umiya Nagar (firm) vide registered sale deed dated 07.05.2015 for Rs.13,13,04,000. It is seen that M/s Desai Developers P. Ltd has signed the sale deed as confirming party.
- II. From the sale deed it can be seen that for a larger piece of land measuring 34591 sqm which also includes above two plots, the assessee (HUF) had entered into sale agreement dtd 28.10.2010 with M/s Desai Developers Pvt. Ltd. On referring to the impugned sale agreement it is seen that sale consideration was fixed at Rs.21,00,00,000, and an advance of Rs.4,80,00,000 was paid by M/s Desai Developers Pvt Ltd (in short 'DDPL').
- III. The assessee stated before the Assessing Officer that the sale agreement did not materialize. After 5 years of the above sale agreement, the assessee sold part (about 50%) of above land vide above referred sale deed dtd 07.05.2015 to M/s Umia Nagar. From the sale deed it can be seen that the purchaser has been found or brought in by M/s Desai Developers Pvt Ltd.(DDPL) and M/s DDPL has also signed the sale deed as confirming party.
- IV. As per executed sale deed, the sale consideration was paid distributed as under:

	To Assessee	To DDPL	Total
Plot no. 4	16060000	32076000	48136000
Plot No. 5	34060000	49108000	83168000
Total	5,01,20,000	8,11,84,000	13,13,04,000

- V. The purchaser has made TDS separately in the hands of assessee as well as M/s DDPL, for respective amounts paid to them (this too is mentioned in pages 13 & 14 of sale deed).
- VI. Assessee has offered capital gains on above transaction. It is seen that, for computation of LTCG, the assessee has adopted full value of sale consideration at Rs.9,85,61,000 which is the sum of Rs.5,01,20,000 (received as per sale deed) and Rs.4,84,41,000 (which is apparently the advance received from M/s DDPL as per satakhat).
- VII. However, the assessing officer made further addition Rs.3,27,43,000 being the excess amount over Rs.4,84,41,000/- (8,11,84,000- 4,84,41,000) paid by purchaser to M/s Desai Developers Pvt Ltd. The reason stated by Assessing Officer is that genuineness of impugned Satakhat and of M/s DDPL is not established.

14. Based on the above factual position, the Id CIT(A) observed that assessing officer has failed to appreciate the facts of the case in proper perspective. The assessee entered into sale agreement with M/s DDPL and received Rs.4,84,41,000/- as advance, but the sale did not go through, so a part of land was hived off and sold to another purchaser (M/s Umiya Nagar) brought in by the same M/s DDPL. In the agreed sale consideration an amount of Rs.8,11,84,000/- was paid to M/s DDPL, as confirming party and the rest was paid to assessee (Rs.5,01,20,000). However, for computation of capital gains, the assessee has added the amount, which he has received as per sale deed to advance received and treated it as full value of sale consideration for impugned part of land sold. So, the full value of sale consideration considered for computation of capital gains by assessee is Rs.9,85,61,000/- (Rs.4,84,41,000 + Rs.5,01,20,000).

15. The Id CIT(A) noted that assessing officer has doubted the sale agreement with M/s DDPL and also the payments made by M/s DDPL. However, it has no relevance because the assessee has offered Rs.4,84,41,000/- being advance received from the said M/s DDPL for impugned land in computation of capital Gains. The Assessing Officer has not made any inquiry with the jurisdictional assessing officer of M/s DDPL, before rejecting assessee's explanation. It can be seen that the advances paid by M/s DDPL as per Satakhat (Sale agreement) are mostly in cheques; and are verifiable from bank accounts and the details are also mentioned in sale deed, so executed. It was further noted that M/s DDPL is a corporate entity assessed to tax in Surat itself and it is easily verifiable whether the transaction are accounted in its books. Further in response to summon u/s 131 issued by assessing officer, Shri Rajnikant A. Desai, Director of M/s DDPL, affidavit narrating the sequence of events, facts and confirming the facts claimed by the assessee. In view of these, and documentary evidences on record, the conclusion drawn by Assessing Officer, regarding genuineness of Satakhat and identity of M/s DDPL is not sustainable. The Saatkhat was entered into in October 2010 i.e. about 5 years earlier and payments are made through cheques from October 2010 to June 2014. This fact that payments are about 5 year old indicates towards genuineness of transaction.

16. The Id CIT(A) further noted that assessee was asked to furnish copies of ITR, computation of income & audit report etc. of M/s DDPL. The assessee furnished the same, vide letter dated 10.05.2019. On verification of the same it was observed by Id CIT(A) that, M/s DDPL has claimed credit for TDS amount of Rs.8,11,840/- deducted by M/s Umiya Nagar and same is reflected in Form no. 26AS TRACES. From the balance sheet it is seen that M/s DDPL shows WIP closing balance at Rs.22,54,88,450/- as on 31.03.2016. From the ledger account it is seen that

it includes the advances given as per satakhat for same land as well as the net receipts (after TDS) as per, sale deed for impugned land. On the identical facts, the Id CIT(A) relied on the judgment of Hon'ble Jurisdictional High Court, in CIT-1 vs Lalitaben Govindbhai Patel, TA No. 329 of 2018 (Guj. HC), dated 11.04.2018. It is further noted that SLP filed by Revenue against this decision has been dismissed vide Diary (No) 47854/2018 dtd. 28.01.2019. The findings of Hon'ble Gujarat High court are as follows:

“2. Respondent assessee is an individual. For the assessment year 2009-10, assessee had filed the return of income declaring capital gain of Rs.5.04 lacs in sale of landed property. Facts on record would suggest that the assessee had acquired such property at a cost of Rs.33,69,763/- after converting the land from agriculture purpose to non-agriculture purpose by paying conversion charges of Rs.2,21,338/-. She entered into an agreement to sale the land to one Melody Complex Put. Ltd only 05.09.2008 for a sale consideration of Rs.38,74,431/-. At the time of execution of the agreement, the assessee received a sum of Rs.1 lac from the prospective buyer. As per the agreement, the possession would be handed over on receiving balance sale consideration of Rs.37,74,431/-. However, subsequently, the assessee executed another document which was in the nature of a sale deed on 25.03.2009. Under this deed, the land in question was sold to one Gatil Properties Ltd for a sale consideration of Rs.4,43,52,100/-. The assessee was the seller Gatil Properties Ltd was the buyer and Melody Complex Pvt. Ltd was the confirming party in the said document. The document also showed that the assessee also received the balance sale consideration of Rs.37,74,431/-whereas the remaining amount of Rs.4,04,77,669/- was received by Melody Complex Pvt. Ltd. The possession was handed over to the petitioner on 25.03.2009.

3. In the return filed, the assessee claimed that the cost of acquisition of the land was Rs.33,69,763/- and was sold for Rs.38,74,431/-. The difference of Rs.5,04,886/- was offered to short term capital gain. The Assessing Officer after examination, accepted such declaration of the assessee.

4. This order of assessment, the Commissioner took in revision under section 263 of the Income Tax Act, 1961. He was of the opinion that at the time of execution of the agreement to sale dated 15.09.2008, the possession of the land was not handed over to the purchaser. Therefore, in terms of section 53A of the Transfer of Property Act, the principle of part performance would not apply. The sale deed was executed only on 25.03,2009 when the possession was also actually handed over to the new buyer. The sale consideration being Rs.4,43,52,100/- the assessee had to offer a sum of Rs.4,09,82,337/- byway of short term capital gain.

5. The assessee challenged this order before the Tribunal. The Tribunal, by the impugned judgement, held that the Commissioner committed an error in

exercising revisional powers. The Tribunal relied on a detailed judgement in an earlier case concerning another assessee but similar facts.

6. In the present case, the Tribunal has primarily gone on merits of Commissioner's revisional powers under section 263 of the Act. Had this been the sole ground employed by the Tribunal, we would have examined the issue further. However, when the Tribunal had referred to an earlier judgement which has detailed consideration of all relevant facts, by reference, the Tribunal must be seen to have adopted similar principles.

7. Quite apart from what the Tribunal had said in the impugned order, the fundamental issue which according to us requires consideration is did assessee receive sale consideration of Rs.4,43,52,100 /- out of such sale? In the sale deed, the assessee did pose as a seller and sale consideration stated to have been paid by the purchaser Gatil Properties Ltd was undoubtedly Rs.4,43,52,100/-. However, the entire amount was never received by the assessee. It was a confirming party-Melody Complex Pvt. Ltd which, under the agreement to sale, had a right to insist on purchasing the land or seek specific performance of the agreement and receive bulk of the sale consideration. Out of the total sale consideration, Rs.4,04,77,669/- was received by such confirming party. When the assessee never received anything beyond Rs.38,74,431/- originally agreed, question of charging capital gain from the assessee on a sum larger than the said amount of Rs.38,74,431/- would not arise.

8. It is true that in a short span, the parties to the said transactions showed spectacular appreciation in land price. If the Revenue was of the opinion that such unusual rise in the land price indicated non-genuineness of the transaction itself, no such angle has been probed.

9. In any case, the remaining sale consideration of Rs.4,04,77,669/- received by Melody Pvt Ltd can always be taxed appropriately in the hands of the said recipient. We fail to see how the Commissioner could have held the assessee answerable for capital gain for a sum which she never received.”

17. We note that above decision of Hon'ble Jurisdictional High Court of Gujarat in the case of Lalitaben Govindbhai Patel is squarely applicable in favour of the instant assessee. Therefore, Id CIT(A) held that it is clear that M/s DDPL has earlier paid the impugned advance during period 29.10.2010 to 04.06.2014, to assessee, as per sale agreement (Satakhat) and in return for the same, it has received part of sale consideration, as per sale deed executed on 07.05.2015. Hence, the assessing officer is not correct in rejecting the explanation of assessee. The addition made by assessing officer is against the facts evidences on record, therefore Id CIT(A) deleted the addition. We have gone through the above findings of

Id CIT(A) and observed that there is no infirmity in the conclusion reached by Id CIT(A). That being so, we decline to interfere with the order of Id. CIT(A) in deleting the aforesaid additions. His order on this addition is, therefore, upheld and the grounds of appeal of the Revenue are dismissed.

18. In the result, appeal filed by Revenue is dismissed.

Order pronounced on 26/06/2023 in the open court.

Sd/-
(PAWAN SINGH)
JUDICIAL MEMBER

सूरत /Surat

दिनांक/ Date: 26/06/2023

SAMANTA

Copy of the Order forwarded to

1. The Assessee
2. The Respondent
3. The CIT(A)
4. CIT
5. DR/AR, ITAT, Surat
6. Guard File

Sd/-
(Dr. A.L. SAINI)
ACCOUNTANT MEMBER

By Order

// TRUE COPY //

Assistant Registrar/Sr. PS/PS
ITAT, Surat