

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'E': NEW DELHI**

**BEFORE,
SHRI S.RIFAUR RAHMAN, ACCOUNTANT MEMBER
AND
MS. MADHUMITA ROY, JUDICIAL MEMBER**

**ITA No.3179/Del/2023
(ASSESSMENT YEAR 2016-17)**

Dy.CIT Central Circle-1 Faridabad	Vs.	Ludhiana Sangrur Infra Road Private Limited DSS, 378 Sector-16-17 Hisar-125005 Haryana PAN:AACCL7848N
(Appellant)		(Respondent)

Assessee by	Sh. Ashwani Kumar, CA
Department by	Sh. Anshul, Sr. DR

Date of Hearing	30/05/2024
Date of Pronouncement	16/08/2024

ORDER

PER S.RIFAUR RAHMAN, AM:

1. This appeal has been filed by the Revenue against the order of Learned Commissioner of Income Tax (Appeals)-6, Gurugram ["Ld. CIT(A)", for short], dated 16/08/2013 for Asst. Year 2016-17.
2. The brief facts of the case are, Respondent is a Private Limited Company engaged in the business of construction activities. The Respondent Company is a subsidiary of M/s Gawar Construction group of companies.

3. A search u/s 132 of the Income Tax Act, 1961 ('the Act' for short) took place at the business premises of M/s Gawar Construction Ltd on 07.11.2017 and on the same date a survey u/s 133A was conducted on the business premises of the Assessee.

4. Notice u/s 148 of the Act was issued on 08.11.2019 for relevant assessment year. In response to the said notice return of income declaring income at Rs. Nil was filed by the Assessee on 23.11.2019.

5. During the course of survey various documents inventories as Annexures A-1 to A-31 were impounded. On examination of the said documents it was noticed that the Respondent Company had raised cash credit aggregating to Rs. 1,34,00,000/- during the relevant assessment year. Date-wise details of such amounts have been drawn out in para 3 of the assessment order. Likewise, the Respondent Company had received certain amounts in cash from M/s Gawar Construction Limited during the relevant assessment year, the details of which has been drawn out at page 4 of the assessment order such sums aggregate to Rs. 86,50,000/-. In addition to this on perusal of Annexure A-5, it was found that certain amounts which have been listed in para 5 at pages 5 to 7 of the assessment order aggregating to Rs. 35,67,720/- had been incurred in cash by the Respondent Company in violation of the provisions of section 40A(3) of the Act. The Ld. Assessing Officer after considering the submissions of the Assessee made an addition of Rs. 2,64,00,000/- to the total income of the Assessee.

6. Aggrieved, assessee filed an appeal before the Ld. Commissioner of Income Tax (Appeals)-3, Gurugaon and the Ld. Commissioner of Income Tax (Appeals)-3, vide order dated 16/08/2023 decided the appeal and accepted the contention of the Assessee. Reference is drawn to para 4.4 at pg.98 of his order.

7. Aggrieved, the Revenue is in appeal before us. At the time of hearing, the Ld. DR submitted as the survey was conducted on the basis of information about the payments. He submitted that Ld. CIT(A) has deleted the addition of Rs.2.64 Crores on account of unexplained credits. IBS findings in the case of Gawar Constructions Ltd. which has not attended finality. Further, he submitted that the Ld. CIT(A) has deleted the addition without discussing the case of the assessee on merits and he prayed that findings of the Ld. AO may be sustained.

8. On the other hand, the Ld. AR submitted as under:

It is respectfully submitted that the Ld AO has grossly erred on facts and law of the case while making addition of Rs. 2,64,00,000/- in the hands of the assessee. On reading para No. 8 of the assessment order, it is clear that the Ld AO has made the additions on the basis of mere presumptions and conjectures which are reproduced here under:

a. On perusal of appraisal report in the case, it is also construed that unaccounted cash credit of Rs. 1,34,00,000/- was raised by the assessee during AY 2016-17 as tabulated in para 3 of the order.

b. Further, examination of appraisal report revealed that the assessee company received unaccounted cash of Rs. 86,50,000/-

DCIT vs. Ludhiana Sangrur Infra Road Private Ltd.

from M/s Gawar Construction Ltd during the AY 2016-17 as tabulated in para 4 of the order.

c. Besides above, on perusal of annexure A-5, it was found that certain payments of Rs. 35,67,720/- had been made in violation of section 40A(3) of the Income tax Act, 1961 which is tabulated in para 5 of the order.

The assessee has vehemently denied this fact that the assessee has not incurred such expenditure at all. However, fact of the matter is that the said amount of Rs.2,64,00,000/- has been incurred directly by M/s Gawar Construction Ltd. is also supported by the following facts/ evidences.

a. During the course of assessment proceedings, the assessee stated that these expenses were incurred by the said M/s GCL while discharging its (GCL's) own responsibility and obligation towards defect liability and other obligations as per Agreement and also stated that the source of these cash expenses was out of unaccounted income generated by the said GCL from its own business.

b. Copy of Agreement executed between the assessee and the said M/s GCL dated 15/02/2015 is attached herewith as Annexure-5 at page No. 53 to 63. On perusal of the Recital, it is clear that the assessee had awarded the civil construction work to the said M/s GCL, which is reproduced here under:

WHEREAS PARTY intends to construct and maintain the abovementioned Road at the rates accepted by the Party A as per me Annexure attached herewith as per Specification as specified by the Punjab Roads & Bridges Development Board Punjab. Both the parties to agreement have agreed as such and describing the following terms and conditions to execute the above said work.

Further clause No.3 states that the said M/s GCL was also responsible towards "defect liability", which is reproduced here under:

DCIT vs. Ludhiana Sangrur Infra Road Private Ltd.

3. The work is required to be calculated by PARTY-8 according to the Rules & Regulations, Conditions and Specification as described by the employer (PRB08) or any other.

Competent or Authorized Authority in case failure to comply with such conditions and specifications as described above the PARTY-A shall complete the above work on the risk and cost of Party B and cost of PARTY ..as per the master agreement.

(*Master Agreement means as per original Concessionaire Agreement)

c. This fact has also been confirmed by Sh Rakesh Kumar director of M/s GCL during recording of statement u/s 131(1A) on oath on 23.3.2018, which is reproduced here in below:

"Q.6. During the course of survey proceedings at Ludhiana Sangrur Infra Road Pvt. Ltd. at Lehra Village and Ladda Village, certain documents were found and seized. In your reply submitted, you have stated that the seized diary consists of transactions, not recorded in the regular books of accounts. Please explain the nature of such transactions,.

Ans. The transactions recorded in the seized diary pertain mainly to expenses incurred at the site for repair/ reconstruction of the project. M/s Gowar Construction Ltd (GCL) is holding company of M/s Ludhiana Sangrur Infra Road Pvt Ltd (LSIRPL). The work of "Operation, Maintenance and Transfer (OMT) of Ludhiana-Malerkotia-Sangrur Road Project on PPP Mode" was first allotted to M/s. Gowar Construction Ltd and then after as per the tender terms M/s. Gawar Construction Ltd has incorporated a SPV (Special Purpose Vehicle) namely M/s LSIRPL (being a 100% subsidiary co). M/s. Gawar Construction Ltd was liable to execute the repair, maintenance of the subjected road and has recovered the same by way of issuance of invoices to M/s. LSIRPL out of the toll charges collected by M/s. LSIRPL. Total revenue has been charged from M/s. LSIRPL and duly accounted in the books of accounts of M/s Gawar Construction Ltd. M/s Gawar

Construction Ltd has incurred some unrecorded cash expenses of Rs. 2,64,00,000/- in FY 2014-15 (which includes Rs. 20,00,000/- Revenue expenses and Rs. 1,15,50,400/- cash paid as on money to Sellers of land towards purchase of land for site office at Village Ladda/ Village Lehra for site office of Toll etc. which is also the part of project cost.). Rs. 2,64,00,000/- in FY 2015-16, Rs. 78,99,045/- in FY 2016-17 and Rs 33,00,000/- in FY 2017-18 totaling to Rs. 5,11,49,445/-). However, the corresponding revenue against these expenses has already been recorded in regular books of accounts through invoices raised by M/s Gawar Construction Ltd. favouring to M/s. LSIRPL. The said M/s Gawar Construction Ltd had incurred the cash revenue expenses towards its obligation of 'defect liability'. The LSIRPL had no working capital to execute the said contract except the funds provided by M/s Gawar Construction Ltd. These expenses were incurred by the said M/s. Gawar Construction Ltd in cash out of funds received by the said M/s. Gawar Construction Ltd out of undisclosed income."

d. It is also clear from the above statement that the said amount of Rs. 2,64,00,000/- was incurred by M/s Gawar Constructions Ltd, out of its own unaccounted income and in order to meet/discharge its obligation under "Defect Liability" and that no part of it was either recovered or even recoverable from the Assessee Company The said amount was incurred by Gawar Constructions Ltd with a view to discharge its liability/full its obligations and the Assessee Company, in the instant case has no role or relation whatsoever in the incurring of the said expenses.

Sh Rakesh Kumar director of M/s GCL in his statement recorded u/s 131(1A) on 23.3.2018 also confirmed this fact in reply to Q. No. 6 itself, the relevant part is reproduced here under:

"..... These expenses were incurred by the said M/s. Gawar Construction Ltd in cash out of funds received by the said M/s. Gawar Construction Ltd out of undisclosed income.

e. It is also clear from the above statement that the said amount of Rs.2,64,00,000/- was incurred by M/s Gawar Constructions Ltd. during the year under consideration, in order to meet/discharge its obligation under "Defect Liability" and that no part of it was either recovered or even recoverable from the Assessee Company. The said amount was incurred by Gawar Constructions Ltd with a view to discharge its liability/full its obligations and the Assessee Company, in the instant case has no role or relation whatsoever in the Incurring of the said expenses.

Sh Rakesh Kumar director of M/s GCL in his statement recorded u/s 131(1A) on 23.3.2018 also confirmed this fact in reply to Q. No. 6 itself, the relevant part is reproduced here under:

"..... The said M/s Gawar Construction Ltd had incurred the cash revenue expenses towards its obligation of 'defect liability'. The LSIRPL had no working capital to execute the said contract except the funds provided by M/s Gawar Construction Ltd....."

It is clear from the above, that all the facts, circumstances and evidences speaks clearly that such amount of Rs. 2,64,00,000/- has been incurred directly by M/s Gawar Construction Ltd., the holding company of the assessee and such amount of Rs. 2,64,00,000/- has been incurred by the said Gawar Construction Ltd towards discharge of their liability and responsibility in terms of Agreement executed between the assessee and M/s GCL wherein civil construction work on Toll Plaza building and repair / renovation of roads was awarded to GCL and also towards the "defect liability" of such civil work, which is the obligation of the said GCL. (Copy already placed at as Annexure-5 at page No 53 to 63).

f. Moreover, on perusal of the records, it is also clear that the said M/s GCL has reflected these expenses in its Fund Flow Statement and Revised Profit & Loss account submitted before Hon'ble ITSC. The said GCL has also, had already raised corresponding revenue by issuing Invoices in favour of the assessee. That means, the said M/s GCL has already recorded the said unaccounted expenses and corresponding invoices in its own books of accounts. All these transactions are verifiable from seized records as well. Sh Rakesh Kumar director of M/s GCL in his statement recorded u/s 131(1A) on 23.3.2018 also confirmed this fact in reply to Q. No. 6 itself, the relevant part is reproduced here under:

"...M/s. Gawar Construction Ltd was liable to execute the repair, maintenance of the subjected road and has recovered the same by way of issuance of invoices to M/s. LSIRPL out of the toll charges collected by M/s. LSIRPL. Total revenue has been charged from M/s. LSIRPL and duly accounted in the books of accounts of M/s Gawar Construction Ltd. ...However, the corresponding revenue against these expenses has already been recorded in regular books of accounts through Invoices raised by M/s Gawar Construction Ltd. favouring to M/s. LSIRPL....."

It is clear from the above, that the said M/s GCL has raised invoices in favour of the assessee for work done by the said GCL in terms of the Agreement (awarding the civil construction work) and recovered the amount. However, while incurring expenses on civil construction etc. as a part of its (GCL's) own obligation, the said GCL has made such cash expenses. As stated here in above, the corresponding revenue has already been recorded and recovered by GCL in its books of accounts.

Keeping in view all the facts, circumstances and supporting documents, it is clear that the cash expenses

amounting to Rs. 2,64,00,000/- were not incurred by the assessee, as presumed by Ld AO, but were incurred by the said GCL. Therefore, the very basis of making addition of Rs. 2,64,00,000/- is incorrect and baseless and thus the said addition is not at all deserved.

20.3 Violation of Principles of Natural Justice of passing of Non-speaking order. While framing the impugned assessment order, the Ld AO has made violations of Principles of Natural Justice e.g the assessment order is non-speaking order-no cogent reasons of addition was stated and the Ld AO also failed to issue a final show cause notice before making the said addition. These are discussed in detail here under:

a. Non-speaking order

The Ld AO completely ignored the merits of the submissions of the assessee and passed a non-speaking order by adding the entire amount with merely stated following ground:

"The replies filed by the assessee have been examined and found not tenable and the same is also added in the income of the assessee for the assessment year under consideration."
(para No. 10 of assessment order)

It is clear that the Ld AO has just passed non-speaking order without giving any lawful and cogent reason why the reply of the assessee is not tenable, particularly, when it is supported by all the relevant circumstantial as well as actual evidences on record. Since this amounts to violation of Principles of natural Justice that the AO should pass speaking order while making the addition prejudice to the interest of the assessee and the AO is obliged to record cogent reasons why he is not satisfied on the contentions of the assessee. A speaking order ensures that the principles of natural justice are followed. To give reasons for the decision is a requirement of the principles of natural justice. The order would show which particular circumstance received due consideration while arriving at the decision.

As held in *Kishanlalv. UOI* (1998) 97 Taxman 556 (SC), a speaking order reduces arbitrariness. A reasoned order speaks for itself. It embodies in itself the principles of natural justice.

In the case of *Asstt. Commissioner Commercial Tax Department, Works Contract and Leasing Quota v. Shukla& Bros.* (2010) (4) JT 35, the Supreme Court observed that it shall be obligatory on the part of the judicial or quasi-judicial authority to pass a reasoned order while exercising statutory jurisdiction. In the absence of a reasoned order, it would become a tool for harassment.

In the case of *Santosh Hazariv, Purushottam Tiwari* [2001] (2) JT 407, the Supreme Court held as under:

"The appellate Court has jurisdiction to reverse or affirm the findings of the trial Court. First appeal is a valuable right of the parties and unless restricted by law, the whole case is therein open for hearing both on questions of fact and law. The judgment of the Appellate Court must, therefore, reflect its conscious application of mind, and record findings supported by reasons, Need for speaking order on all the issues arising along with the contentions put forth, and pressed by the parties for decision of the Appellate Court."

In the case of *S. N. Mukherjee v. Union of India* AIR 1990 SC 1984, the Supreme Court has observed as follows:

"Keeping in view the expanding horizon of the principles of natural justice, we are of the opinion, that the requirement to record reason can be regarded as one of the principles of natural justice which govern exercise of power by administrative authorities. The rules of natural justice are not embodied rules. The extent of their application depends upon the particular statutory framework where under jurisdiction has been conferred on the administrative authority. With regard to the exercise of a particular power by an administrative authority including exercise of judicial or quasi-judicial functions the legislature, while conferring the said

power, may feel that it would not be in the larger public interest that the reasons for the order passed by the administrative authority be recorded in the order and be communicated to the aggrieved party and it may dispense with such a requirement.... It must be concluded that except in cases where the requirement has been dispensed with expressly or by necessary implication, an administrative authority exercising judicial or quasi-judicial functions is required to record the reasons for its decision."

In the case of *Woolcombers of India Ltd. v. Woolcombers Workers' Union* AIR 1973 SC 2758, the Supreme Court held as under:

"... The giving of reasons in support of their conclusions by the judicial and quasi-judicial authorities when exercising initial jurisdiction is essential for various reasons. First, it is calculated to prevent unconscious unfairness or arbitrariness in reaching the conclusions. The very search for reasons will put the authority on the alert and minimise the chances of unconscious infiltration of personal bias or unfairness in the conclusion. The authority will adduce reasons which will be regarded as fair and legitimate by a reasonable man and will discard irrelevant or extraneous considerations.

Second, it is a well-known principle that justice should not only be done but should also appear to be done. Unreasoned conclusions may be just but may not appear to be just to those who read them. Reasoned conclusions, on the other hand, will also have the appearance of justice.

Third, it should be remembered that an appeal generally lies from the decisions of judicial and quasi-judicial authorities to this Court by special leave granted under article 136. A judgment which does not disclose the reasons will be of little assistance to the Court. The Court will have to wade through

the entire record and find for itself whether the decision in appeal is right or wrong.

b. No show cause notice and No Application of mind by Ld. AO.

As stated here in above that the Ld. AO did not issue any show cause notice asking the assessee 'why such addition should not be made' and thus violated one of the Principles of natural Justice. The person proceeded against is required to be informed about the exact nature of charges leveled against him. The authority taking a decision must apply his mind to the explanation furnished.

Application of mind must be apparent from the order as held by the Supreme Court in the case of Tarlochan Dev Sharma v. State of Punjab [2001] 6 SCC 260.

Moreover, the importance of a show cause notice has been reiterated by Supreme Court in the case of Umanath Pandeyvs. State of UP (2009) 12 SCC 40-43 as under:

"Notice is the first limb of this principle. It must be precise and unambiguous. It should appraise the party determinatively the case he has to meet. Time given for the purpose should be adequate so as to enable him to make his representation. In the absence of a notice of the kind and such reasonable opportunity, the order passed becomes wholly vitiated. Thus, it is but essential that a party should be put on notice of the case before any adverse order is passed against him."

In the case of Maruti Suzuki India Ltd. v. Addl. CIT [2010] 192 Taxman 317(Delhi), it was held that a cryptic order sheet noting would not amount to a proper show cause notice to a party to defend his case. It would amount to failure to adhere to the principles of natural justice.

In CCE v. ITC Ltd. (1995) 2 SCC 38 (SC), it has been held that an assessee should be asked to show cause as to why he

should not be visited with higher tax before such levy. He must be given an opportunity of meeting those grounds. This is a requirement of the principles of natural justice.

21. Source of Funds - Rs. 2,64,00,000/-

The assessee during the course of assessment proceedings explained vide letter dated 09/02/2021 that the source of funds available with the said M/s GCL and also highlighted the fact that the said GCL has already owned up this amount of Rs. 2,64,00,000/- and also considered the same in their Fund Flow statement submitted before Hon'ble ITSC. It is respectfully submitted that when the said GCL has already owned up this amount and also considered the same in their case, such funds became legitimate and the said GCL had invested the same legitimate funds towards discharging of their own liability, the further addition of the same amount in the case of the assessee is not justifiable nor lawful.

It is also pertinent to mention here that till 31.3.2016, the total investment in the project as per audited Balance Sheet as on 31.3.2016 and Contribution of GCL is as under:

It is evident from the above Table that out of total investment of Rs. 1623.44 lacs, the said GCL has made investment to the tune of Rs. 1623.24 lacs i.e. the said M/s Gawar Construction Ltd. has contributed 99.99% of the total investment in the project, which also suggests that all most all the expenses in the project were incurred by the said GCL out of its own funds and as part of its own obligation under the Contract/Mutual Understanding.

22. Covered issue - AY 2017-18

As stated in the assessment order, the total amount involved in incriminating documents found from the site office of the assessee was Rs. 5,11,49,445/- for AY 2015-16 to AY 2018-19. The Ld AO has made addition in the respective assessment

years totaling to Rs. 5,11,49,445/. In AY 2017-18, the Ld AO has proposed an addition of Rs. 78,99,045/- on this issue apart from another issue pertaining to Transfer pricing. The assessee preferred to referred the case to Hon'ble DRP u/s 144-C, New Delhi on both the issues.

4. The Hon'ble DRP vide order u/s 144-C dated 11.3.2022, (AY 2017-18) directed the AO to delete the addition on this issue of Rs. 78,99,045/- (Copy of order u/s 144-C is enclosed at page No. 68 to 87) while accepting the contentions of the assessee that the assessee has not incurred such expenses. The Hon'ble bench also taken note of the fact of the statement of Sh. Rakesh Kumar recorded on oath on 23.03.2018 wherein it was clearly stated that the said GCL has admitted and owned having incurred such cash expenses out of its own unaccounted income. The relevant pages on this issue is placed here under:

3.5 Ground No. 11 relates to the addition of Rs.78,99,045/- for contravention of the provisions of section 269ST of the Act.

3.6 The facts are undisputed. It is submitted that the assessee had entered into Concession Agreement dt.11.02.2015 for the "operation and maintenance of Toll Road and Collection of Toll" on the Ludhiana-Malerkoth-Sangrur Highway. As the Concession agreement entered into by the Assessee Company with I'KB assessee was liable for defect liability with regard to this work whereby it would in liable for any defects found in the civil work done by it, in case any defect is found in future. The assessee vide Works Contract Agreement dated 15/02/2015 passed on the liability to the said Gawar Constructions Ltd. The Assessee Company awarded civil construction work relating to renovation/maintenance/repair of the said existing old road and Toll Plaza etc to M/s M/s Gawar Construction Limited for which purpose it entered into

a separate Works Contract with it. As per the said works contract the work is required to be executed by Gawar Constructions Ltd according to the Kal and regulations, conditions and Specifications as described by the Principal Nodal Agency (PRBDB) or any other competent or Authorized Authority. In case failure to comply with such conditions and specifications as described above, the assessee would complete the above work on the risk and cost of M/s Gawar Constructions Ltd. (On 07.11.2017, a search and Survey conducted at the Gawar group 132 Income Tax Act, 1961

3.7 Simultaneously Survey was conducted at the site office of the assessee. During the survey, certain documents were found relating to unrecorded cash expense of Rs.78,99,045/- for AY 2017-18. pertaining to the Ludhiana-Sagrur site expenses. Sh Rakesh Kumar, Director of Gawar Constructions Ltd, while recording of statement u/s 131(1A) of the Act, 1961 on 23.03.2018, on oath stated and admitted that Gawa Constructions Ltd. had incurred cash expenses towards meeting its obligation "defect liability" and that these expenses were incurred by the said M/s Gawar

Construction Ltd in cash out of funds received by the said Mis Gawar Construction Ltd out of undisclosed income. Thus, the said amount of Rs.78,99,145/- was incurred by M/s Gawar Constructions Ltd. out of its own unaccounted income and in order to meet/discharge its obligation under "Defect Liability" and that no part of it was either recovered or even recoverable from the assessee. The said amount was incurred by Gawar Constructions Ltd with a view in discharging its liability towards its obligations and the assessee, in the instant case has no role or relation whatsoever in the incurring of the said expenses.

3.8 The Assessing Officer merely proceeded on the assumption that the received an amount of Rs. 78.99,045/- from M/s Gawar Constructions Ild in contravention of Section 269ST and added the sum, being received in breach of Section 269ST as evident from the AC's observations in the assessment order.

"During the assessment proceedings, it is found that the assessee have received a sum of Rs. 78,99,045/- from Mis Gawar Construction company Ltd in contravention of the provisions of section 2695T of the Income tax Act, 1961 during the year under consideration A notice u/s 142(1) in this regard was issued to the assessed on 12.03.2021. The assessee filed reply in this regard on 04.03.2021 The replies tiled by the assessee have been examined and found not tenable and the same also added to the income of the assessee.

(Addition of Rs. 78,99,045)

19. The course adopted by the AO is incomprehensible as he has not given any reason in his order as to how a sum received in breach of section 2269AS will added to the income of the assessee. A bare look at section 269AS which was introduced vide Finance Act, 2017 wet 01-01-2017 reveals that the provisions bare transaction of Rs. 2. 1KL000) are more in aggregate from a person in way of a single transaction or in respect of transactions relating to on from a person, except by account pavee cheque un bank draft of through se mode. The consequence of breach of section 26051 is mentioned in section 271 the Act, which stipulates a penalty of a sum equal to the amount of receipt to be levied in accordance with law. However, there is no warrant for adding the also to the income of the assessee, more so when there is no finding by the At that the sum is undisclosed income of the assessee and also when Sh Rakesh Kum Director of Gawar Constructions Ltd, as hus statement as 14t the A1461

23.03.2018, on path stated and admitted that Gawar Constructions Ltd. had.. cash expenses towards meeting is obligation of detest ustality at the expenses were incurred by the said Mrs Gawar starts in cash all of thoseby the sand Mis Gawar Construction Ltd out of undisclosed income That At the course legally permissibile in terms election 20951 read with stien 2711/ the Art. This addition stands accordingly, deleted.

The facts and circumstances of the present issue are the same as that of the Asst Year 2017-18 and therefore following the decision of Hon'ble DRP in AY 2017-18 on this issue, the addition of Rs.2,64,00,000/- in the year under consideration may kindly be deleted.

9. Considered the rival submissions and perused the materials available on record, we observed that Ld. DRP has considered the issue in detail and found that AO has not brought on record how the sum received by the assessee are in violation of section 269AS in Assessment Year 2017-18. The same issue was adjudicated by the Ld. CIT(A) in the current Assessment Year. Therefore, we do not see any reason to disturb the same.

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

Order pronounced on 16th August, 2024.

Sd/-

(MS. MADHUMITA ROY)
JUDICIAL MEMBER

Dated: 16/08/2024

Pk/sps

Sd/-

(S.RIFAUR RAHMAN)
ACCOUNTANT MEMBER

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI