

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

**BEFORE SHRI PRADIP KUMAR KEDIA, ACCOUNTANT MEMBER &
SHRI VIMAL KUMAR, JUDICIAL MEMBER**

ITA No.3448/Del/2023
[Assessment Year : 2017-18]

Naresh Balyan 125-A, Shyam Park Nawada, Uttam Nagar New Delhi-110059 PAN-ADQPB8836L	vs	ACIT Central Circle-16 Jhandewalan Ext. Delhi
APPELLANT		RESPONDENT
Appellant by	Shri Jasmeet Singh, Adv. & Shri Pranav Menon, Adv.	
Respondent by	Ms. Baljeet Kaur, CIT DR	
Date of Hearing	25.10.2024	
Date of Pronouncement	18.12.2024	

ORDER

PER PRADIP KUMAR KEDIA- AM :

The instant appeal has been filed at the instance of the assessee seeking to assail the First Appellate order dated 03.10.2023 passed by Ld. Commissioner of Income Tax (A)-28, New Delhi [“Ld.CIT(A)”] u/s 250(6) of the Income Tax Act, 1961 [“the Act”] arising from the assessment order dated 11.06.2021 passed u/s 153A r.w.s 143(3) of the Act pertaining to Assessment Year 2017-18.

2. The assessee has sought to impugn the first appellate order as per the grounds of appeal noted hereunder:-

1. *“That the order passed by Ld. CIT(A) sustaining the addition of Rs. 1,71,77,024/- & Rs. 9,03,100/- is bad in law.*
2. *That the Ld. CIT(A) sustained the addition of Rs. 1,71,77,024/- & Rs. 9,03,100/- without considering the facts and submission made by the appellant.*
3. *That the Ld. CIT(A) has erred in sustaining the addition under section 69C amounting to Rs. 1,71,77,024/- on account of unexplained expenditure though it was duly shown in books of accounts and without any corroborative evidence.*

4. *That the Ld. AO has erred in making the addition under section 69A amounting to Rs. 9,03,100/- on account of unexplained money to the income of the Assessee on the basis of seized documents and presumption without any corroborative evidence.*
5. *That the Ld. AO failed to link the loose paper with the appellant. It is also held by Hon'ble Allahabad High Court in the case of CIT, Kanpur vs. Shadiram Ganga Prasad, 2010 UPTC 840 that presumption under Section 132(4A) is a rebuttable and not absolute. Therefore, once the appellant submitted a detailed plausible explanation in respect of loosed papers, then the onus shifted on the Ld. A.O. to conduct some investigation to link these papers with the appellant, which is a complete failure on the part of the Ld. A.O. in this case.*
6. *The Ld. AO has misinterpreted the provisions of section 132(4A), section 292C, section 153A, section 69C, section 69A and other provisions of the Income Tax Act, 1961.*
7. *That the appellant craves the leave to add, modify, amend or delete any of the grounds of appeal at the time of hearing and all the above grounds are without prejudice to each other.”*

3. Briefly stated, the assessee is a sitting Member of Legislative Assembly [MLA] of Delhi. The assessee is stated to have derived income from rent, interest and agricultural activities etc. The assessee denies to carry out any business activity or involved in any commercial activity *per se*. The assessee filed Return of Income(ROI) for AY 2017-18 under consideration on 28.03.2018, declaring total income at Rs. 3,43,030/-. The ROI was processed u/s 143(1) of the Act on 11.06.2018. In a subsequent event, the warrant of Authorization was issued by the Director of Income Tax, (Investigation), New Delhi and a search and seizure operation u/s 132 of the Act was carried out at the premises of XOXO Group of cases on 08.03.2019. The above mentioned assessee was also covered under a search proceedings u/s 132 of the Act on the same day in pursuance of the aforesaid search. In the course of search proceedings at the premises of assessee, some loose papers/documents were stated to be found and seized. Consequently, notice u/s 153A of the Act was issued to the assessee on 25.02.2021 and the search assessment proceedings were set in motion. In pursuance to the notice issued u/s 153A of the Act, the assessee filed ROI and re-iterated the total income at Rs. 3,43,030/- as previously declared in the ROI filed prior to search. Notices u/s 143(2) and 142(1) of the Act were issued from time to time and the assessment was framed u/s 153A r.w.s. 143(3) of the Act vide order dated 11.06.2021.

4. In the course of assessment proceedings, the Assessing Officer [AO] *inter alia* observed that certain incriminating documents and digital data were seized from the

residence of the assessee in the course of search conducted on 08.03.2019. A show cause notice dated 20.04.2021 was issued to the assessee asking him to furnish reply/explanation in respect of entries/transactions found recorded in Annexure A-2, A-7 and A-9 found and seized from the residence of the assessee. A show cause notice was issued in the course of assessment proceedings wherein the contents of such annexures were confronted to the assessee showing date-wise details of certain transactions as reproduced in para 8 of the assessment order. The AO alleged that such annexures represents some unaccounted payments and construction related expenses. The contents of Annexure A-2, A-7 and A-9 were reproduced in para 8 of the assessment order. The assessee filed a reply to the aforesaid show cause notice on 23.04.2021 denying the ownership of Annexure A-7 and A-9 and also denied the incurring of any construction expenses found noted in the loose papers. Another show cause notice was issued in the interregnum on 22.04.2021 seeking explanation of the assessee on loose papers/documents Annexure A-4 as inventorized and seized from the residence of the assessee. The source of expenses incurred were thus enquired. The Assessee denied ownership of such loose paper/ documents. The AO took note of the replies of the assessee on such show cause notices but however invoked the provision of section 132(4A) & 292C of the Act to draw statutory presumptions against the assessee. The AO alleged that the assessee has failed to file any documentary evidences to rebut his claim that seized documents do not belong to him or contents thereof, are not true. The AO further observed that these documents contained details of day-to-day expenditure and construction related expenses incurred in cash. The total expenditure and receipts as found recorded in Annexure A-2, A-4, A-7 and A-9 was accordingly, summarized in para 13 of the assessment order. The AO thus, alleged that unexplained expenditure as recorded in these documents, seized from the residence of the assessee, aggregating to Rs. 2,30,67,904/- is susceptible to tax under s. 69C r.w.s 115BE of the Act. The AO further observed that the aggregate unaccounted receipt of Rs.9,03,100/- found recorded in these loose papers as per various annexures are also susceptible to tax u/s 69A r.w.s 115BE of the Act. The AO accordingly, made additions to returned income with the aid of section 69A & 69C of the Act and assessed the taxable income at Rs. 2,43,14,030/- and framed the assessment accordingly.

5. Aggrieved, the assessee preferred an appeal before CIT(A).

6. The assessee asserted before the CIT(A) that additions towards alleged unexplained expenditure quantified at Rs. 2,30,67,904/- has been made on the basis of loose papers premised on presumptions & conjectures without any iota of corroborative evidences. Likewise additions on account of alleged unexplained money quantified at Rs.9,03,100/- has been made without corroborative entries found in the seized documents. It was further contended that the AO has mis-interpreted and mis-applied the provisions of section 132(4A), section 292C, section 153A, section 69A, section 69C and other provisions of Act. It was contended that the legal position expounded by the judicial precedents have not been applied in correct perspective while making the additions. The assessee also emphasized that being sitting MLA holding public office, a large number of people keep coming to him on daily basis for his attention and resolution of their problems. The loose papers/documents detected in the search may have been plausibly left by someone visiting the premises of the assessee. The loose papers/documents are wholly un-related to the assessee and neither the name of the assessee is mentioned in such loose papers/documents nor the handwriting in the documents is that of the assessee or any family members of the assessee. It was alleged that the action of the AO is wrongly triggered based on some dumb loose papers/documents containing scribbles, rough/vague notings without any corroboration. It was pointed out that the assessee has not carried out any construction activity at his residence as shown to be in the entries reflected in the loose papers/documents. The AO has made the additions as an *ipse dixit* in an arbitrary manner disregarding the overwhelming social obligations of the assessee where large number of people keep visiting him on daily basis. The loose papers/documents have been found from the residence of the assessee which is spread over 5000 sq. yard and his office is also situated therein alongwith a large courtyard. It is quite possible that loose papers/documents might have been left by some visitor which is reinforced by the fact that such loose papers/documents were not found from the bedroom or other rooms of the assessee or any kind of locked study room of the assessee or his family members. The assessee thus, essentially contended that loose papers/documents did not belong to him at all and additions are based on uncorroborated

loose papers/documents containing some scribbblings and non-speaking documents is not justified at all.

7. The CIT(A) however observed that the contention of the assessee that seized documents do not belong to him, is not tenable since such documents/loose papers were seized from the premises of the assessee. The CIT(A) however, found merit in the plea of the assessee towards duplication of certain entries and transaction not relatable to Assessment Year 2017-18 in question. The CIT(A) further agreed with the contention raised on behalf of the assessee for credit of unaccounted receipt out of alleged unaccounted expenses. The amount quantified by the assessee towards alleged receipt amounts was thus reduced from the alleged unexplained expenditure giving rise to some partial reliefs. Thus, the CIT(A) revised the additions towards alleged unaccounted expenditure at Rs. 1,71,77,024/- as against Rs.2,30,67,904/- made by the AO and simultaneously confirmed the additions towards unaccounted receipts amounting to Rs. 9,03,100/-.

8. Dissatisfied and aggrieved with some nominal relief extended by the CIT(A), the assessee preferred appeal before the Tribunal.

9. When the matter was called for hearing, the Ld. Counsel for the assessee reiterated the submissions made before the lower authorities and strongly contended that while the documents/loose papers might have been found and seized from the premises of the assessee, such documents/loose papers do not belong to or pertain to the assessee at all.

9.1 The Ld. Counsel broadly pointed out that:

(i) the documents has no relation to the assessee; name of the assessee is not mentioned on the documents; handwriting to the documents do not relate to the assessee or any of the relatives of the assessee

(ii) the entries found in the loose papers/documents etc. are without any corroborative material or evidence or supported by any evidence found in the course of search proceedings

- (iii) such loose papers/documents were never confronted by the assessee while recording of statements under section 132(4) of the Act at the time of search
- (iv) the statutory presumptions available u/s 132(4A) r.w.s 292C of the Act is not conclusive and a rebuttable presumption does not give license to the Revenue authorities to make arbitrary additions towards fictional income;
- (v) the assessee lives with several other income tax assessee such as his wife, brothers and their wives, nephew etc., all such persons living together are income tax assesseees. The so called loose papers/documents could possibly relate to any of the tax assessee notwithstanding and without prejudice to the plea of the assessee that such papers could belong to any of the outside visitors who step in premises to meet him as a sitting MLA. Therefore, the presumption against the assessee is not justified particularly when such loose papers marked as various annexures are not in the handwriting of the assessee nor do it carries the name of the assessee.

9.2 The Ld. Counsel for the assessee relied upon host of the judicial pronouncements including:

- [a] *CIT vs Shadiram Ganga Prasad, S.P.Kanodia & Smt. Premlata Kanodia 2010 SCC Online All 3548 (All.High Court);*
- [b] *P.R.Metrani vs CIT, Bangalore [2007] 1 SCC 789;*
- [c] *Pushkar Narain Sarraf vs CIT 1990 SCC Online All 825;*
- [d] *CIT, Delhi (Central)-II vs D.K.Gupta [ITA No.1126/2008] vide order dated 26.09.2008 (Delhi High Court);*
- [e] *Neeraj Goel vs ACIT 2019 SCC Online ITAT 66 vide order dated 28.02.2019;*
- [f] *CCBI vs V.C.Shukla and Ors. (1998) 3 SCC 410; and*
- [g] *Common Cause and Ors. Vs Union of India and Ors. (2017) 11 SCC 731.*

9.3 Based on the elucidation of Legal position by the judicial dicta, the Ld. Counsel for the assessee contended that the statutory presumption contemplated u/s 132(4A) r.w.s. 292C of the Act are not absolute but rebuttable. Such presumptions are not available to

the Revenue authorities in the peculiar facts of the present case. The Ld. Counsel for the assessee also contended that statutory presumptions are limited in its scope besides being rebuttable. He further submitted that the assessee has denied the loose papers pertaining to or belonging to him and in the absence of any corroborative material found in the course of search and in the absence of any question having been put to the assessee while recording the statement u/s 132(4) of the Act on 09.03.2019 on the impugned loose papers, the onus was on the Revenue to ascribe such entries in the loose papers/documents to the assessee. The appropriate query and a candid statement of the assessee thereon under s. 132(4) on such documents found in the course of search is *sine qua non* of due process of taking and collecting evidence in the course search. The impugned annexures / loose papers are unworthy of any reliance on the face of denial of ownership since inception coupled with complete absence of any worthwhile enquiry having been put on such so called annexures. While the assessee has rebutted the statutory presumptions by denial as well as in the absence of any corroborative material etc. The Revenue has failed to discharge the onus which shifted on to it. While placing overwhelming reliance on innocuous entries by the AO, no enquiries have been made at any stage either to find out as to whether such entries have actually materialized or are merely make believe in so far as present assessee is concerned. The additions made based on some inchoate loose papers allegedly found in search on the strength of statutory presumptions under section 132(4) r.w.s. 292C of the Act *dehors* the peculiar circumstances are wholly unjustified. The Ld. Counsel for the assessee thus submitted that action of the CIT(A) in endorsing the additions made by the AO based on loose papers/documents is contrary to the material facts and position of law available in this regard and thus calls for rational and pragmatic view in accord with law.

10. Per contra, the Ld. CIT-DR for the Revenue strongly relied upon the first appellate order. The Ld. CIT-DR submitted that formidable evidence in the form of documents/loose papers were found from the premises of the assessee and therefore, statutory presumption u/s 132(4A) r.w.s 292C of the Act, gets triggered and a simplicitor denial by the assessee that such documents do not belong to the assessee, is not sufficient *per se* to shift the onus on the revenue. It would be unrealistic and illogical to assume that the documents found from the premises of the assessee do not belong to him. The

CIT-DR thus contends that the onus squarely lies on the assessee to rebut the presumptions available to Revenue where he has miserably failed.

10.1 The CIT-DR pointed out that besides loose papers, Page No.11 of Annexure A-4 found from the premises of the assessee shows that one R.K.Bros (Contractor) has issued some bills/estimate in the name of “M/s. Balyan House”. As per the estimate/invoice, the expenses such as Italian Floor, Skirting, Granite, Patti etc. are reflected. Therefore, it does not lie in the mouth of the assessee that no construction work has been carried out as emanating from loose papers or the loose papers do not belong to him.

10.2 The CIT-DR contended that the AO is entitled in law to make additions towards undisclosed income on the basis of loose sheets found in the course of search unless the assessee has successfully disproved the entries made in the loose sheets. To buttress her contentions the Ld.CIT DR referred to the following judgments; (a) *CIT vs Naresh Kumar Aggarwala [2011] 331 ITR 510 (Delhi)*; (b) *CIT vs Ambika Appalam Depot [2012] 340 ITR 497 (Madras)*; and (c) *Mahabir Prasad Rungta vs CIT(Appeals), Ranchi [2014] 43 taxmann.com 328 (Jharkhand)*

10.3 The Ld.CIT DR submitted that the presumptions raised under s. 132(4A) of the Act on seizure of such loose sheets is automatic and the onus squarely lies on the assessee to rebut that presumption by offering plausible explanation, if any. A mere denial of entries in the loose paper is not sufficient *per se* to discharge such onus. The stand taken by the assessee that such loose papers found at the premises of the assessee might have been left by someone and did not belong to the assessee *per se* needs to be vindicated by the assessee and nobody else.

10.4 The Ld.CIT DR for the Revenue thereafter, pointed out that Ld.CIT(A) has liberally granted all possible reliefs as may be plausible after nuanced appraisal of factual matrix. On objective considerations of facts, the relief towards duplicate entries, entries relating to other years have been duly provided by Ld.CIT(A) and thus, the Revenue has acted in a non-partisan manner. Hence, no interference with the order of the CIT(A) is called for in the instant case.

11. We have carefully considered the rival submissions and perused the material referred to and relied upon in the course of hearing and case laws cited. The assessment order and first appellate order have also been perused dispassionately.

11.1 The additions made by the revenue towards unexplained expenditure and unexplained receipt of money based on loose papers and documents found in the course of search at the premises of assessee is in controversy. As a corollary thereto, legal questions towards extent of presumptions available under s. 132(4A) r.w.s 292C of the Act also arises.

11.2 As noted in the earlier paragraphs, it is the case of the assessee that while holding the public office as a sitting MLA, a large number of people routinely visit his premises on a daily basis to discuss their problems and to seek support and resolution. In this overwhelmingly peculiar background, the documents/loose papers found at the premises of the assessee living jointly with other taxpayers, requires to be seen with greater degree of caution and circumspection.

11.3 The assessee states to have denied the impugned loose papers/ documents to be relatable to the assessee at the first available opportunity. It was pointed out that neither the entries were made in the hand writing of any member of the family nor it was found from the residential portion of the premises.

11.4 In a customary query put in the course of hearing by the bench, the Ld. CIT-DR fairly agreed that no queries were raised in the course of statement recorded under s. 132(4) of the Act by the authorised officer to elicit information in a quest to unearth truth on loose papers/ documents. Such approach is quite intriguing to say the least. The loose papers/ documents marked as annexures are the sole basis for making additions in the search assessment. Clearly, the revenue has squandered the opportunity by their insipid action. Furthermore, a perusal of the assessment order would show that post search inquiries were raised by way of initiation of show cause notice only at the stage of assessment proceedings. The assessee has made out a case that he has responded to all the notices issued and promptly replied at all instances.

12. It may pertinent to observe here that standard of proof for rebutting presumption is that of preponderance of probabilities and not beyond reasonable doubt. While section

132(4) imposes an evidentiary burden, in the absence of any enquiry under s. 132(4), the assessee is saddled with only persuasive burden on such annexures. The degree of onus is thus on a far low pedestal.

13. In this backdrop, it is the key plank of the assessee that he has all along taken an unequivocal stand that he is not aware of existence of such loose papers/documents etc. and such loose papers are not in the handwriting of the assessee or his family members. The entries contained in the loose papers have neither been given effect nor any material was shown to be found in the course of search which may be seen attributable to such entries. The assessee cannot plausibly offer an explanation on the entries not carried out or executed by him. The name of the assessee is not shown to have been appearing in the loose papers/documents which are the basis of the impugned additions. The assessee has thus disassociated himself from the loose papers/documents completely. In a testament to its bonafides, it is pleaded on behalf of the assessee that despite being in the cusp of a fragile situation of search, nothing incriminating in the form of unaccounted cash or jewellery or other material could be confronted to the assessee. This circumstantially vouches for propriety of the version of the assessee and leaves no legitimate reason to taint the bonafides.

13.1 Needless to say, in the absence of averments in the course of statement on such loose papers, it was far more necessary for the revenue make some independent enquiries atleast from the contractor etc. whose quotation on alleged construction/ repair was found in the annexure. No enquiry has been admittedly done in the instant case. The revenue themselves is to blame for such lapses.

14. The assessee was not acquiesced with annexures. Besides, the assessee is living along with other members of the family who are also taxpayers in their own right. Therefore also, absence of any independent enquiry is fatal. Suitable enquiry the course of search and post search would have been desirable to establish such documents to be belonging the assessee herein in exclusion to other taxpayers of the family. Hence, the approach of the revenue to draw adverse inference against the assessee solely on the basis of some loose papers found in the course of search, without making any iota of enquiry at

the time of search either with the assessee or with the other family members do not appear sound.

15. Section 132(4A) creates a presumption with respect to the truthfulness or genuineness of the contents of the books of account, its parts, signature and handwriting, *etc.*, found during a search. However, while the operation of section 132(4A) is not extended to the regular assessment in view of judgment in the case of *Metrani (HUF) vs. CIT (2006) 287 ITR 209(SC)*, the operation of s. 292C seeks to extend the presumption even to assessment proceedings. The presumption under s. 132(4A) and s. 292C are however rebuttable. S. 132(4A) and s. 292C are replica of each other and expression used in such provisions are 'may presume' which is also the expression used in s. 114 of the Evidence Act and it was not a mandate that whenever the books of account were seized, the Court shall necessarily draw the presumption, irrespective of any other factors which may dissuade the Court from doing so as held in *ITO vs. T. Abdul Majeed (1987) 169 ITR 440 (ker)*.

15.1 It is the case of the assessee that merely because the documents/loose papers is stated to be found from the premises of the assessee at the time of search, this might itself would not give rise to a conclusive presumption of any contrived and unreported transactions against the assessee *per se*. The assessee was not enquired on such loose papers at the time of search. At the first available opportunity when confronted, the assessee has explicitly repudiated the loose paper & denied having carried out any entries appearing the loose papers/documents. In the absence of any substantive corroborative material found coupled with plain denial at the first instance, the initial onus on the assessee was discharged and the onus was shifted to the Revenue to prove otherwise. As noted earlier, no worthwhile inquiries have been carried out whatsoever by the Revenue and the additions have been made in the hands of the assessee by simply invoking the statutory presumption u/s 132(4A) of the Act based on such loose papers/documents without anything more. In the process, the law that the presumptions available are rebuttable have been totally ignored. It is trite that statutory presumption that documents/loose papers found in the course of search belongs to searched persons, is not absolute but a rebuttable presumption. As noted, no purposeful enquiries have been carried out by the AO despite clear stand of the assessee towards disowning the entries

found recorded in the loose papers/documents. Besides, it is difficult to put such jottings into one clear and unambiguous picture. In the circumstances, it is not open to the revenue to make additions solely based on the some shallow, unintelligible and uncorroborated loose paper/ documents found in the search solely based on statutory presumptions available under s. 132(4A) /s. 292C of the Act that contents of such document are true and such documents belong to the assessee. The onus in such circumstances stands shifted to the revenue while fastening tax liability. The order of the CIT(A) lacks objectivity on such crucial points.

16. Noticeably, the Hon'ble Gujarat High Court in the case of *Maulikumar K Shah 307 ITR 137 (Guj)* observed that mere entries in seized diary is not sufficient to prove the assessee is indulged in such transactions.

17. To summarise, the judgment cited on behalf of the assessee have held in chorus that the presumption available u/s 132(4A) r.w.s 292C of the Act are rebuttable presumptions. The judgments cited on behalf of the revenue do not say any thing different. It is asserted on behalf of the assessee that the loose papers/documents neither belong to the assessee nor the assessee exercises any control over such documents. The documents could have come to the premises of the assessee from anywhere including visitors coming on daily basis. The loose papers/documents which is the sole basis for making additions in the instant case, has not been confronted to the assessee in the course of search at all. At the first available opportunity, the assessee has denied the contents of loose papers. In the absence of any corroborative material or any admission on the part of the assessee, the primary onus which lay upon the assessee stood discharged. it is difficult to conceive as to how the assessee would be able to disprove the contents of the loose papers/documents. The Revenue on its part has not made any worthwhile inquiry independently using tools available under s. 132(4), s. 133(6) or s.131, except issuing show cause notice to the assessee at the time of assessment. No material is brought on record to justify the contents of the loose papers/documents. The presumption available u/s 132(4A) & S. 292C of the Act being rebuttable, has to be seen in the light of direct and circumstantial evidences. The loose papers/documents found in the course of search and referred to in the course of hearing on behalf of the Revenue shows some kind of estimates issued by one, R.B.Bros. (Contractor) towards in the name of "Balyan House".

No inquiry has been made from the contractor despite the particulars allegedly available. It is not known whether such estimate is attributable to assessee or other tax-payers living jointly in the same house. It was for the Revenue to probe in to the matter. Despite extreme course of search, no irregularity in the form of excess cash or other unaccounted assets has been claimed to be discovered. The circumstantial evidence thus, do not stand to the contrary to the assertions made by the assessee. The additions based on mere discovery of loose papers/documents without anything more, in such circumstances would tantamount to holding the conclusiveness of such loose papers for the purpose of assessment. Such view if taken, would run contrary to the judicial *dicta* available in this regard. The adverse view taken by the AO as well by Ld.CIT(A) based on the loose papers/documents seized in the course of search appears to be of abstract nature and without corroboration. Preponderance of probabilities in the facts of the present case is in favour of the assessee and against the Revenue. The least which the Revenue could have done was to pose a pointed question to the assessee under s. 132(4) at the time of search itself. The Revenue failed to do so. It is well settled that onus lies on the persons who alleges. The assessee cannot be placed within impossible burden to prove a negative point in the case of *K.P.varghese vs ITO [1991] 131 ITR 597 (SC)*. The assessee having denied its privy to the information found as per loose sheet, the onus was somewhat shifted to the Revenue. No negative evidence to support the entries was found despite a drastic step of search. The absence of material and denial by the assessee coupled with the social status of the assessee where a large number of people regularly visit the premises of the assessee, do raise estoppels. The benefit of doubt thus, requires to go in favour of the assessee.

18. In view of the multiple factors noted above, the additions made in the instant case cannot be countenanced. The order of the CIT(A) is thus set aside and additions made by the AO stands reversed.

19. In the result, appeal of the assessee is allowed.

Order pronounced in the open Court on 18th December 2024.

Sd/-
(VIMAL KUMAR)
JUDICIAL MEMBER

Sd/-
(PRADIP KUMAR KEDIA)
ACCOUNTANT MEMBER

** Amit Kumar **

Copy forwarded to:

- Appellant
- Respondent
- CIT
- CIT(Appeals)
- DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI