

**IN THE INCOME TAX APPELLATE TRIBUNAL  
'A' BENCH, BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER AND  
SHRI SOUNDARARAJAN K, JUDICIAL MEMBER**

ITA No.748 - 754/Bang/2025
Assessment Year: 2013-14 - 2019-20

Shri Gopal Shashidhara, 2, Narayanappa Layout, Sultanpalya Main Road, Bhuvaneshwari Nagar, RT Nagar, Bengaluru – 560 032.  <b>PAN – BXUPS 2818 C</b>	Vs.	The Dy. Commissioner of Income Tax, Central Circle – 1(4), Bengaluru.
APPELLANT		RESPONDENT

Assessee by	:	Shri B.S Balachandran and Shri Ankur Pai Dhungat - Advocate
Revenue by	:	Shri Balusamy N, JCIT (DR)

Date of hearing	:	31.07.2025
Date of Pronouncement	:	08.10.2025

**ORDER**

**PER BENCH :**

These appeals are filed by the assessee against the order of the CIT(A) – 11, vide order dated 27/01/2025 for the assessment years from 2013-14 - 2019-20.

2. The assessee in ground Nos. 2 to 4 has challenged the additions made by the AO under the head house property amounting to ₹ 2,67,400.00 in the absence of incriminating document found during the search under section 132A of the Act.

3. The AO noticed that cash of ₹16,95,100/- was seized during the search. In his statement u/s 131 of the Act, the assessee admitted that he had been earning rental income of ₹50,000 to ₹55,000 per month for the last 6–7 years. However, in the return filed u/s 153A of the Act, the assessee declared only ₹1,52,600/- as income from house property. The AO concluded that the assessee had understated his rental income, estimated annual rental income at ₹6,00,000/-, allowed standard deduction of ₹1,80,000/-, and made an addition of ₹2,67,400/- only to the total income of the assessee.

4. On appeal, the Id. CIT(A) confirmed the addition. He observed that the assessee himself admitted to a higher rental income in the statement recorded and failed to furnish rent agreements or receipts. Hence, the AO's reliance on the statement and estimation of income was justified.

5. Being aggrieved by the order of learned CIT-A, the assessee is in appeal before us.

6. The learned AR submitted that the addition was made without any incriminating material. Apart from the cash seizure, no documents were found in the search to prove that the assessee had undisclosed income. The AO relied only on the assessee's statement u/s 131 of the Act, which cannot by itself be treated as incriminating evidence. The Id. AR placed reliance on:

- *CIT v. IBC Knowledge Park (P) Ltd* (2016) 385 ITR 346 (Kar.)
- *CIT v. Veerprabhu Marketing Ltd* (2016) 388 ITR 574 (Cal.)

- *PCIT v. Golden Goenka Fincorp Ltd* (2023) 148 taxmann.com 313 (Calcutta)
- *Pr. CIT v. Best Infrastructure (P) Ltd* (2017) 397 ITR 82 (Delhi)
- *PCIT v. Abhisar Buildwell (P) Ltd* (2023) 454 ITR 212 (SC)

7. It was stressed that Hon'ble Supreme Court in the case of *Abhisar Buildwell (SC)* has settled the law that no addition can be made in respect of completed assessments unless incriminating material is found. The learned DR, in reply, submitted that the cash seizure and the assessee's own statement clearly show that he was earning higher rental income than what was disclosed. The assessee failed to produce rent agreements or evidence to support the lower income offered in the return. Therefore, the AO was justified in making a reasonable estimate based on the statement, and the Id. CIT(A) was correct in confirming the same.

8. We have carefully considered the rival submissions of both the parties and perused the materials available on record. It is an admitted fact that except for the assessee's statement, no incriminating documents were found during search to establish undisclosed rental income.

8.1 The Hon'ble Supreme Court in *PCIT v. Abhisar Buildwell (P) Ltd* (2023) 454 ITR 212 (SC) has categorically held that in respect of completed/unabated assessments, no addition can be made in the proceedings u/s 153A unless based on incriminating material found

during the course of search. A statement recorded without corroboration does not constitute incriminating material.

8.2 In the present case, the assessment year under appeal was completed, and no incriminating material was found. Therefore, the addition made by the AO and confirmed by the CIT(A) only on the basis of the assessee's statement cannot be sustained. We, therefore, direct the AO to delete the addition of ₹2,67,400/- made by him. Hence, ground of appeal of the assessee is allowed.

8.3 Regarding the issues raised by the assessee on merit, we do not find any reason to adjudicate the same for the simple reason that the appeal of the assessee has been allowed on technical count itself. Hence, the other grounds raised by the assessee are dismissed as infructuous.

9. In the result, the appeal of the assessee is partly allowed.

***Coming to ITA No. 749/Bang/2025, an appeal by the assessee for the assessment year 2014-15.***

10. At the outset, the learned AR for the assessee before us submitted that the issues raised by the assessee in ground No. 7 and 8 are not pressed. Accordingly, we dismiss the same as infructuous.

11. For the remaining grounds of appeal with respect to the addition made by the AO under the head of house property and business income,

we note that there was no document of incriminating nature found during the search proceedings. Accordingly, in the absence of any incriminating document found during the search, the findings given by ITAT in ITA No. 748/Bang/2025 for the assessment year 2013-14 will also be applicable for the year under consideration. As such, the issue raised by the assessee with respect to the incriminating material in the assessment year 2013-14 has been decided by us favouring assessee. At the time of hearing, the learned AR and the DR also agreed that whatever findings given in IT No. 748/Bang/2025 shall also be applicable for the case on hand. Accordingly, we hold that the additions made by the authorities below are unsustainable in the absence of incriminating document found during the search. Accordingly, the ground of appeal of the assessee is hereby allowed.

11.1 Regarding the issues raised by the assessee on merit, we do not find any reason to adjudicate the same for the simple reason that the appeal of the assessee has been allowed on technical count itself. Hence, the other grounds raised by the assessee are dismissed as infructuous.

12. In the result, the appeal of the assessee is partly allowed.

***Coming to ITA Nos. 750-751-752/Bang/2025, appeals by the assessee for the assessment years 2015-16, 2016-17 and 2017-18***

13. At the outset, we note that there was no document of incriminating nature found during the search proceedings. Accordingly, in the absence of any incriminating document found during the search, the findings given by ITAT in ITA No. 748/Bang/2025 for the assessment year 2013-14 will also be applicable for the years under consideration. As such, the issue raised by the assessee with respect to the incriminating material in the assessment year 2013-14 has been decided by us favouring assessee. At the time of hearing, the learned AR and the DR also agreed that whatever findings given in IT No. 748/Bang/2025 shall also be applicable for the cases on hand. Accordingly, we hold that the additions made by the authorities below are unsustainable in the absence of incriminating document found during the search. Accordingly, the ground of appeal of the assessee is hereby allowed.

13.1 Regarding the issues raised by the assessee on merit, we do not find any reason to adjudicate the same for the simple reason that the appeal of the assessee has been allowed on technical count itself. Hence, the other grounds raised by the assessee are dismissed as infructuous.

14. In the result, all the appeal of the assessee are partly allowed.

**Coming to ITA No. 753/Bang/2025, an appeal by the assessee for the assessment year 2018-19**

15. The assessee has raised a ground that the assessment framed by the AO is invalid in the absence of any incriminating material found during the search u/s 132A of the Act.

16. At the outset, we note that the year under consideration is an abated assessment year. As per the settled law, in the case of an abated year, the AO has full jurisdiction to examine the return of income and frame assessment u/s 143(3) r.w.s. 153A even without reference to incriminating material. The concept of "no addition without incriminating material" is applicable only in respect of completed or unabated assessments, as clarified by the Hon'ble Supreme Court in *PCIT v. Abhisar Buildwell (P) Ltd* (2023) 454 ITR 212 (SC).

16.1 In an abated assessment year, the entire assessment is open before the AO. Therefore, even in the absence of incriminating material, the AO is empowered to verify the returned income and make additions based on discrepancies noticed during assessment proceedings. In the present case, since the year in dispute is abated, the assessee's argument that no incriminating material was found has no merit. We, therefore, dismiss this ground of appeal.

17. The second issue raised by the assessee relates to the confirmation by the Id. CIT(A) of the addition of ₹89,840/- under the head "Income from House Property."

18. During the course of assessment, the AO noticed that the rental income declared by the assessee under the head "House Property" was

less than the rent shown in the rent agreement furnished by him. On being questioned, the assessee could not provide any satisfactory explanation or reconciliation for the difference. The AO, therefore, computed the understatement of rental income at ₹89,840/- and added the same to the total income.

19. On appeal, the Id. CIT(A) upheld the action of the AO. He observed that the assessee had failed to bring any evidence or explanation to reconcile the rental income declared in the return with that reflected in the rent agreement. Hence, the addition was confirmed. Being aggrieved by the order of learned CIT-A, the assessee is in appeal before us.

20. The learned AR submitted that the addition made by the AO and confirmed by the CIT(A) was only on a notional basis, without any cogent evidence, and therefore not sustainable.

21. On the other hand, the learned DR relied on the orders of the lower authorities and contended that once the assessee's own rent agreement showed higher rent, the AO was justified in making the addition.

22. We have heard both the parties and perused the record. We note that the AO's finding of understatement of rental income was based on the assessee's own rent agreement vis-à-vis the income declared in the return. The assessee did not reconcile this mismatch either during assessment, before the CIT(A), or even before us. At the time of

hearing, the learned AR also could not bring any material on record to contradict the findings of the lower authorities.

22.1 We also observe that unlike in earlier assessment years, where the question of incriminating material was relevant, the present year is an abated assessment year. In such cases, the AO has full jurisdiction to verify the correctness of income and make appropriate additions even without reference to incriminating material.

22.2 In these facts, we find no infirmity in the orders of the AO and Id. CIT(A). Hence, the addition of ₹89,840/- under the head "Income from House Property" is accordingly sustained. Thus, the ground of appeal of the assessee is hereby dismissed.

23. The next issue raised by the assessee is that the learned CIT-A erred in confirming the addition of ₹ 11,06,200.00 as unexplained cash under section 69A of the Act.

24. The AO noted that during the election period on 07.05.2018, cash of ₹16,95,100/- was seized from the possession of the assessee. Out of this, ₹11,06,200/- was treated as unexplained u/s 69A of the Act which was added to the total income of the assessee. On appeal, the Id. CIT(A) confirmed the addition.

25. Before us, the learned AR submitted that the cash was found in the financial year 2018-19 relevant to assessment year 2019-20.

Therefore, if at all it was to be taxed, it should have been brought to tax in AY 2019-20 and not in the present year.

26. The learned DR, however, supported the orders of AO and Id. CIT(A) and argued that the assessee failed to explain the source of cash.

27. We have considered the rival submissions and examined the record. There is no dispute on the fact that cash was found from the possession of the assessee during the search and that the assessee could not satisfactorily explain its source. In principle, therefore, such cash is liable to be brought to tax under section 69A of the Act.

28. The only question which arises is the correct year of taxability. Section 69A specifically provides that where an assessee is found to be the owner of any money, bullion or valuable article and fails to explain the source, the same shall be deemed to be the income of the assessee for the financial year in which such money is found in his possession.

29. In the present case, the seizure took place on 07.05.2018, which falls in financial year 2018-19 relevant to assessment year 2019-20. Therefore, as per the mandate of section 69A of the Act, the cash, if unexplained, is assessable in AY 2019-20 and not in the assessment year presently under appeal.

30. The addition made by the AO and sustained by the CIT(A) in the impugned year is thus not in accordance with law. At the same time, our finding will not prevent the Revenue from initiating action in the correct

year in accordance with the provisions of the Act. Hence, the ground of appeal of the assessee is hereby allowed.

31. In the result, the appeal of the assessee is partly allowed.

***Coming to ITA No. 754/Bang/2025, an appeal by the assessee for the assessment year 2019-20***

32. At the outset, the learned counsel for the assessee submitted that the assessment framed by the AO for the year under consideration is not sustainable in law because the assessment order passed by the AO is not duly signed. It was further pointed out that even the notice of demand issued under section 156 of the Act and the computation sheet raising the demand on the assessee have not been signed by the AO. According to the learned AR, in the absence of authentication by the signature of the AO, the assessment order is void ab initio and unenforceable in the eyes of law.

33. The learned AR invited our attention to the assessment order, the notice of demand under section 156, and the computation sheet placed in the paper book, and submitted that all these documents are unsigned. In support of this contention, reliance was placed on the order of the Tribunal in Reuters Asia Pacific Ltd. Vs. DCIT reported in 157 taxmann.com 705, wherein it was held that an unsigned order cannot be treated as a valid order under the Income-tax Act.

34. On the other hand, the learned DR could not effectively controvert the specific argument of the learned AR with reference to the record, nor could he show that the impugned documents bear the signature or authentication of the AO.

35. We have considered the rival submissions and carefully examined the record. The assessee's contention is that the assessment order passed by the AO, the notice of demand issued under section 156, and the computation sheet are not signed by the AO, and therefore, they do not constitute valid orders in the eyes of law.

35.1 It is a settled principle that an assessment order must be authenticated by the signature of the Assessing Officer who has passed it. In the absence of such authentication, the order cannot be regarded as a valid order under the Income-tax Act. The Hon'ble Tribunal in the case Reuters Asia Pacific Ltd. Vs. DCIT cited above has held that an unsigned order is invalid and unenforceable. The rationale is that the act of signing is what confers authenticity and evidences that the order has, in fact, been passed by the competent authority.

35.2 In the present case, the assessee has placed on record the copy of the assessment order, the notice of demand, and the computation sheet, all of which are unsigned. The Department has not disputed this factual position. The learned DR also could not produce a signed copy or otherwise controvert the assessee's claim.

35.3 In view of the above facts and in the light of the judicial precedent cited, we hold that the assessment order passed in the present case is invalid in law and void ab initio. Consequently, the demand raised thereon also cannot be sustained. Hence, on this preliminary ground itself, the assessment framed by the AO is quashed. Regarding the issues raised by the assessee on merit, we do not find any reason to adjudicate the same for the simple reason that the appeal of the assessee has been allowed on technical count itself. Hence, the other grounds raised by the assessee are dismissed as infructuous.

36. In the result, the appeal of the assessee is partly allowed.

37. In the combined results, all the appeals of the assessee are partly allowed.

Order pronounced in court on 8<sup>th</sup> day of October, 2025

Sd/-  
**(SOUNDARARAJAN K)**  
Judicial Member

Sd/-  
**(WASEEM AHMED)**  
Accountant Member

Bangalore  
Dated, 8<sup>th</sup> October, 2025

/ vms /

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore