

**IN THE INCOME TAX APPELLATE TRIBUNAL
SURAT BENCH "DB" SURAT**

**BEFORE SHRI SANDEEP GOSAIN (JUDICIAL MEMBER)
AND
SHRI OM PRAKASH KANT (ACCOUNTANT MEMBER)**

**ITA No. 860/SRT/2024
Assessment Year: 2018-2019**

Dy. CIT Central Circle-1,
Room No. 504, 5th floor,
Aayakar Bhawan, Majura Gate,
Surat-395001

Appellant

Vs. Royal Developers,
Ward No. 11, RS No. 2112, ABC
Municipal Ward Office, Nr IP
Mission School, Muglisara,
Surat-395003.
**PAN NO. AAUFR 0336 G
Respondent**

Assessee by : Mr. Suresh K Kabra
Revenue by : Shri Ajay Uke, Sr. DR

Date of Hearing : 06/10/2025
Date of pronouncement : 23/12/2025

ORDER

PER OM PRAKASH KANT, AM

This appeal by the Revenue is directed against order dated 24.06.2024 passed by the Ld. Commissioner of Income-tax (Appeals) – 4, Surat [in short ‘the Ld. CIT(A)’] for assessment year 2018-19, raising following grounds:

1) On the facts and in the circumstances of the case and in law, the Ld. CIT(A) has erred in deleting the addition of ₹1,07,38,774/- being unexplained investment as made by the AO u/s 69A of the Act despite of the fact that the Assessing Officer has made in depth investigation in the case to unearth



the unexplained investment of the Assessee and has elaborated the same in the body of the assessment order.

2) In addition to the ground no. 1 above, on the facts and in the circumstances of the case and in law, the Ld. CIT(A) has erred in deleting the addition of 1,07,38,774/- being unexplained investment as made by the AO u/s 69A of the Act observing that substantial amount was declared under IDS even though the declaration was never related to this unexplained investment totaling 1,07,38,774/-.

3) In addition to the ground no. 1 & 2 above, on the facts and in the circumstances of the case and in law, the Ld. CIT(A) has erred in allowing the appeal of the Assessee by correlating the period covered under the IDS and registered deed with the payment towards the impugned land in the year 2010 (installment) and in the year 2013 (as per possession letter) which were unrelated.

4) In addition to the ground no. 1,2 & 3 above, on the facts and in the circumstances of the case and in law, the Ld. CIT(A) has erred in ignoring that land title vested with the Assessee only in F.Y. 2017-18 relevant to A.Y. 2018- 19 after registration and prior to registration date, the Assessee acted merely as a developer/contractor on land owned by other person therefore profits disclosed in IDS on sale/booking of flats are independently earned and cannot be telescoped to the source of investment in land.

5) In addition to the ground no. 1 to 4 above, on the facts and in the circumstances of the case and in law, the Ld. CIT(A) has erred in ignoring that land of project 'Madina Heights' was never part of Assets in books of account of the Assessee and any payment reflected in possession letter of F.V. 2012- 13 & 2013- 14 were booked as land evacuation expenses by the Assessee only.

2. Briefly stated, facts of the case are that the the assessee–firm filed its return of income for the year under consideration on 31.03.2019 declaring a total income of ₹10,21,440/-. The return was selected for scrutiny and statutory notices under the Income-tax Act, 1961 (the Act) were duly issued and complied with.



2.1 On the basis of the Individual Transaction Statement (ITS) available on the departmental database, the Assessing Officer noticed that the assessee had entered into two separate purchase deeds of land, both registered during the relevant previous year. Being dissatisfied with the explanation offered regarding the source of investment in the said properties, the Assessing Officer treated the investment as unexplained and made an addition of ₹1,07,38,774/- under section 69 of the Act. In the assessment order passed under section 143(3) dated 25.09.2021, the Assessing Officer also adverted to the applicability of section 56(2)(x) of the Act, though no separate addition was made thereunder since the entire stamp duty value had already been brought to tax under section 69.

3. On appeal, the learned Commissioner of Income-tax (Appeals) deleted the addition made under section 69 of the Act. However, no independent finding was recorded on the applicability of section 56(2)(x) of the Act. The Ld. CIT(A) has deleted the addition observing as under:

“6. In Ground No.1, 2 and 3, the appellant has challenged the action of the AO in making addition of Rs.1,07,38,774/- u/s 69 of the Act on account of unexplained investment and further, the appellant has also challenged the action of the AO in invoking the provision of Section 56(2)(x) of the Act. Since, all these grounds are interlinked, they are being adjudicated together. According to the AO, the information in ITS revealed that the appellant has purchased land at Surat City Survey Ward No. 11, Nondh No. 2112-A & B, Mugalisara, Taluka- Surat City 10(Nanpura), Dist-Surat through two separate purchase deeds registered on



13.11.2017. Each of the deeds was made for half portion of the above mentioned land. As per the registered deed, purchase consideration for each half portion of the land is Rs.24,75,000/- and the stamp duty valuation of the same is Rs.53,69,387/-. The appellant, in its submissions, stated that the said lands were purchased in FY 2012-13 and 2013-14 and the payment thereof was also made in the respective year. The property document was executed during the year under consideration. It was also stated that the appellant is in the business of construction of land and the aforesaid lands are held as stock in trade. The appellant further stated that the payments towards purchase of these lands were made out of sale proceeds / booking money received from customers. The appellant also furnished copy of notarized possession letters for both the subject lands executed on 20.03.2013 and 20.07.2013 respectively. The appellant also highlighted the fact that a Survey action in the case of appellant was conducted by the DDIT(Inv.), Surat on 30.07.2016, wherein books of accounts were verified and further the appellant filed declaration under IDS-2016 in respect of income earned from the said project. The AO did not accept the contention of the appellant and held that as per the appellant, payment towards the land was made in FYs 2012-13 and 2013-14, whereas, as per the registered deed, the payment was received in instalment in the year 2010. Therefore, the AO held that the claim of the appellant regarding payment is factually incorrect. The AO further held that the appellant failed to explain the source of cash used for making payment towards purchase of land. The AO noted that the appellant paid cash of Rs.24,75,000/- for each portion of land, whereas the stamp duty valuation of the land was Rs.53,63,387/- and therefore, the AO treated the amount of Rs.53,69,387/- for each portion of land as unexplained investment made by the appellant. Accordingly, the aggregate addition of Rs.1,07,38,774/- was made in the hands of the appellant. The AO further held that as per the registered deed, the consideration paid i.e. Rs.24,75,000/- is less than the stamp duty valuation of Rs.53,69,387/- and therefore, the provisions of section 56(2)(x) of the Act are also attracted in the case of the appellant. However, no separate addition was made for the reason that the addition of entire stamp duty valuation of the property was treated as unexplained investment u/s 69 of the Act.

6.1 The AR of the appellant made the following submissions:

Ground No. 1



09. During the year the appellant had got registered 2 (TWO) documents of Lands which were purchased in the year 2010 and possession and payment were made in 2013. The details of such documents are as under:

Document Sl No	Date of registration	Stamp duty Value	Document Value (Mode of Payment)	Land Identity
SRT/10/NPR/840 5/2017	13/11/2017	53,69,387	24,75,000 (CASH PAID)	Nondh No 2112 A & B, City Survey No 11 (50%)
SRT/10/NPR/840 4/2017	13/11/2017	53,69,387	24,75,000 (CASH PAID)	Nondh No 2112 A & B, City Survey No 11 (50%)
		1,07,38,774		

10. The Ld Assessing Officer had made discussion at para 6 to 9 of the Assessment Order, on how she considers the investment in the Land registered in two parts as UNEXPLAINED INVESTMENT in PROPERTY. She had disregarded the submission of the assessee regarding purchase of the property in earlier years i.e. 2010 to 2013. The recital in the documents registered as above with regard to the payments received and the possession has also been brushed aside by her. The Ld Assessing Officer had at the end of para 6 (Bold Font) of the Assessment Order stated as under:

“That the contention of payment made in 2013 or documents shown by the assessee are neither duly established nor relevant. The claims of the assessee are contradictory, and the facts don’t corroborate. Therefore, the acquisition of the land has been made in instant year.”

The above observation makes clear the assumption of the Ld Assessing Officer with regard to the transaction.

11. Here it is pertinent to note the various timeline of the LAND PURCHASE and THE CONSTRUCTION of “AL-MADINA HEIGHTS” on the said LAND and the SALES of the FLATS constructed on the Land so purchased.

a) The LAND was purchased in 2010 and the Possession and payment details are available as per Notarised Possession Letter dated 20/03/2013 and 20/07/2013. The copy of the possession cum sale agreement is enclosed herewith at Pg # 16-32 of PB. Also please refer to Pg # 9 [3rd para] of Assessment Order.



b) The TWO Registered Documents also contains the recital to the effect that the transaction had taken place somewhere in the year 2010. (Please refer to Pg # 33-75 of PB. The assessee firm had constructed "AL...

MADINA HEIGHTS" residential complex on the LAND and the construction of 05 Towers were complete as on the date of SURVEY i.e. 29/07/2016 and earlier. This is evident from the declaration made under IDS-2016 vide Form 1 filed before the PCIT-III, SURAT and the Final Certificate in Form 4 issued by the PCIT-III, Surat. As per the Form 1 the assessee had disclosed PROFIT earned on account of AL-MADINA HEIGHTS project for the AY 2013-14,2014-15, 2015-16 and 2016-17. The copy of the Full Set of Form No 1 to 4 is enclosed herewith as per Pg # 76- 84 of PB. Form No 4 contains the year wise details of the disclosed profit and it's details is available on Pg #83 of PB.

c) The project development permission was taken by Bhupendra Dubal POA of Wahedbhai Choksi & Others on 22/12/2006. The copy of the Development permission was impounded as per Pg # 85-86 of PB. This is also impounded as per Annexure A- during survey.

d) The LAND "with permission" was purchased from Wahed Bhai Choksi & Others in the year 2010 for which payments were made and possession was taken in the year 2013.

e) Construction of 4 towers A, B, C, D & E were complete as on the date of SURVEY and possession of Flats had also been handed over.

f) There was some Unauthorised construction, which was regularised by making payment of IMPACT FEE to the SURAT Municipal Corporation on 23/07/2013. Payment of impact fee shows that the CONSTRUCTION the LAND was complete in that period. The payment of Impact fee was made by INDIVIDUAL flat owners.

g) During the SURVEY on 29/07/2016, statement of Shri JUNED CHANDIWALA was recorded. Question No as highlighted may kindly be referred to at Pg # 87-118 of PB. The answers to the question throw sufficient light on the Construction status of the Apartments on this purchased Land as on the date of SURVEY i.e. 29/07/2016.



12. Possession of flats in AL MADINA were constructed well before the year 2017 is evident from the POSSESSION cum Sale agreement impounded as ANNEXURE A-270, 271, 272 during the survey. The copy of such agreement cum possession document is enclosed herewith at Pg # 119-139 of PB.

13. From the above undisputed facts, it is apparent and clear that the LAND was purchased in 2010 and possession and payments were made in Feb/March 2013 and May/Jun 2013. The Ld Assessing Officer had not given adverse findings on these issues except observing that claims of the assessee are contradictory, and facts do not corroborate. Rather, the Ld Assessing Officer does not have supporting findings and necessary material to counter the facts stated and also evidence found during the SURVEY.

14. In view of the above undisputed facts, it is submitted that from the above details and corroborative and other circumstantial evidence, it is undoubtably proved that the LAND was purchased way back in 2010 and the possession and payment were made in 2013, 50% in FY 2012-13(FEB/MAR'2013) and remaining 50% in FY 2013-14 (MAY/JUN 2013). Your honour would appreciate that it is but natural that where construction of apartments and that too "5" Towers had been built up before the legal registration of document, whether the same can be without possession and payment. It is sure by necessary implication that the registration was done to legalise the conveyance and transfer of the title to the purchaser, i.e. assessee. The payment and possession are all clear long back as mentioned in the sale-deed and clear from the possession letter.

15. PAYMENT MADE IS RECORDED: The assessee in his submission during the course of assessment proceedings had submitted that the payment towards the LAND had been debited to the LAND EVACUATION EXP and accounted for in the books. The copy of the Ledger a/c was also submitted along with P&L a/c and Balance Sheet as 31/03/2013 and 31/03/2014. The copy is enclosed herewith at Pg # 141-146 of PB.

16. APPLICATION of Section 69: While applying the provisions of section 69 and for making addition under the section, the Ld Assessing Officer cannot act unreasonably, and his satisfaction that a particular transaction is not genuine must be based on relevant factors and on a just and reasonable enquiry.

17. INITAIL BURDEN DICHARGED: The assessee had submitted all the papers and more particularly the registered documents



itself contain the recitals of the fact that the purchase was made earlier, and the registration is done now. The Ld Assessing Officer had not come out with any adverse proposition or findings to support her belief. Both the Seller and the Purchaser have submitted the fact of purchasing the property in earlier years. The Possession document cum sale agreement with payments details is available on record and submitted to the Ld Assessing Officer. All these are not found to be bogus or false. The decision in the case of SWAMINARAYAN AVENUE, The Hon'able ITAT AHD Bench had said that "Accordingly, the additions made by AO were merely on assumptions, conjectures and surmises without bringing any material on record with certainty and conviction that there was an unexplained investment in the land in excess of the price mentioned in the purchase documents and, therefore, there no reason to interfere with the order of the CIT(A). The copy of the Order is enclosed herewith at Pg # 147-154 of PB.

Considering the above facts of the matter, the addition made u/s 69 considering the payment of Land Purchase as made during the year is erroneous and without any basis and only on the assumptions, whims, and surmises of the Ld Assessing Officer. The addition made therefore may be kindly deleted.

GROUND No.2

18. The Ld Assessing Officer had discussed in para 10 of the Assessment Order, the applicability of section 56(2)(x) of the Act. Section 56(2)(x) was inserted and made applicable from 01/04/2017. The earlier version of this provision was embodied in section 56(2)(vii), which was applicable only to INDIVIDUAL and HUF. The new version is made applicable on persons.

19. LAND PURCHASE/POSSESSION/PAYMENT is prior to 01/04/2017: The document that is registered with the Sub Registrar Office (SRO) vide Registration S No 8404 and 8405 is enclosed herewith at Pg # 33-75 of PB. According to the recitals in the documents, it is clear that the sale agreement was somewhere in 2010. Later in Feb/Mar 2013 and May/Jun 2013, the payment is made, and the possession of the Land is obtained and taken vide possession documents enclosed herewith at Pg # 16-32 of PB. Thus the except for legal registration all the transactions of purchase, possession and payment is completed and finished before June 2013.

20. ". Here SECTION 56(2)(x)- RECEIVES: The Ld Assessing Officer had reproduced the text of the section in the Assessment Order at Page No 13. The opening part of the section says "Where



any person receives.. your honour would appreciate that the assessee had received the Immovable Property in Feb/Mar and May/Jun 2013 and not on a date, on or after 01/04/2017. The documents are only registered on 13/11/2017 to convey the legal title, and the specific recital of possession is there in the documents. Further CONSTRUCTION of 5 TOWERS had been completed on the LAND, which is not possible without possession. Thus, by simply assuming without any adverse finding on records and even during the SURVEY proceedings, the Ld Assessing Officer had travelled beyond her authority. In this matter the following judicial pronouncements on the issue of Date of TRANSFER are relied upon by the appellant:

KIRAN KASTURCHAND SHAH vs PCIT

153 Taxmann.com 111 (ITAT-SURAT) Pg # 155-164 of PB.

RAJENDRA KUMAR KANTILAL PATEL vs PCIT

150 Taxamnn.com 71 (ITAT SURAT) Pg 165-181 of PB.

AZAD ZABARCHAND BHANDARI vs ACIT

35 Taxmann.com 69 (ITAT MUM) Pg # 182-188 of PB.

Considering the above submission of the assessee, the alternate proposition of the Ld Assessing Officer is also not proper and justified.

In view of the above submission the addition of Rs 1,07,38,774/- is not justified and the same may be kindly deleted.

6.2 I have gone through the assessment order, the submissions made by the AR of the appellant and the other material available on record. I have also considered the case laws relied upon by the appellant. The AO made addition on account of unaccounted investment for the reason that the appellant registered 2 purchase deeds in which cash of Rs.24,75,000/- was paid for each parcel of land, whereas the stamp duty valuation was found to be Rs.53,63,387/-. The AO noted that as per the terms set out in the said registered deed, the payment for the said land was made in instalment in the year 2010. However, as per notarized possession letter submitted by the appellant, actual possession of the land and payment towards the same was made in FY 2012-13 and 2013-14 respectively. The AO held that



there is inconsistency in the year of payment mentioned in the registered deed and the notarized possession letter and further, AO held that the stamp duty valuation of Rs.53,69,387/- for each parcel of land represents unexplained investment made by the appellant. During the Appellate Proceedings, the appellant has filed detailed submissions stating that the land under consideration was purchased from Wahedbhai Choksi in the year 2010 and the possession of the land as well as payment for the same was made in the year 2013. The appellant firm developed a residential project by the name Al Madina Heights consisting of 5 towers. The appellant further stated the original project development permission was taken by the original owner in the year 2006 and further, the appellant made payment of impact fee' to SMC on 23.07.2013 to regularize some unauthorized construction in the said project. The appellant also furnished copy of statement recorded during the course of Survey proceedings conducted in its case on 29.07.2016 and also furnished copy of IDS declaration.

6.3 On perusal of the assessment order, it is seen that the main ground for addition by the AO appears to be recital in the purchase deed that payment for land was made in instalment in the year 2010, whereas as per the possession letter the payment was stated to have been made in the year 2013. The fact that the land under consideration was used for development of the project 'Al Madina' is evident from the statement of Sh. Juned Chandiwala recorded during the Survey proceedings, in which there is clear mention of the fact about purchase of land by the appellant from Mr. Choksi in the year 2010 and also subsequent development of residential project thereon. The appellant claimed that the said cash was paid to the seller party in FYs 2012-13 and 2013-14 from the booking amount received from flat buyers and also furnished ledger account showing the payment towards purchase of land. The fact that the appellant has constructed 4 residential towers on the said land is sufficient evidence to support the claim of the appellant regarding possession of land. The appellant filed declaration under IDS in respect of the said project declaring undisclosed income of Rs.1,61,03,363/- for AYs from 2013-14 to 2016-17 also supports the claim about purchase of land in 2010 and construction of residential flats and subsequent payment of cash from the booking amount. It appears that the actual payment was made to the land owners in FY 2012-13 and 2013-14 out of cash received from sale of flats. The case was selected for limited scrutiny for verification of purchase of immovable property reflected in ITS details. The facts stated in the registered deed clearly revealed that the land transaction



had taken place since 2010 onwards and only issue that needed verification was fact about actual possession and payment of cash to the land owner. The fact about survey action in the case of the appellant and subsequent IDS declaration was available on record with the AO. It appears that the AO did not refer to any of these documents to verify the claim about purchase and payment of cash in the preceding years. The AO treated the entire stamp duty valuation of both the lands as unexplained investment without clearly appreciating the facts of the case. In my opinion, a Survey action was conducted and substantial amount was declared under IDS in respect of the project executed by the appellant on the land under consideration. The case was selected for scrutiny for limited purpose of verification of purchase of property and the details available with the AO in the form of record of survey proceedings, facts stated in the registered deed and IDS declaration were sufficient to support the claim of the appellant with regard to purchase of land under consideration. Under the circumstances, the action of the AO in treating amount of Rs.1,07,38,774/- as unexplained investment in the hands of the appellant is not justified and accordingly, the addition made by the AO deserves to be deleted. Ground No.1, 2 and 3 are allowed.”

4. Aggrieved, the Revenue is in appeal before us by way of raising grounds as reproduced above.
5. Before us, the Ld. counsel for the assessee filed a Paper Book containing paged 1 to 144.
6. The learned Departmental Representative submitted that although the assessee claimed that the lands were purchased in earlier years and that construction of residential flats had already been carried out thereon, the assessee failed to satisfactorily explain the source, manner and timing of the alleged cash payments made to the landowners. It was contended that the registered sale deeds recited cash payments having been made in



the year 2010, whereas the notarised possession letters referred to payments made in the year 2013. According to the learned DR, no cogent documentary evidence such as contemporaneous cash books or corroborative records was produced to substantiate the assessee's claim. It was therefore urged that the order of the learned CIT(A) be set aside.

6.1 Per contra, the learned counsel for the assessee supported the order of the learned CIT(A). It was submitted that the payments were made out of sale proceeds and booking amounts received from customers and that possession of the land had been taken much prior to the year of registration of the deeds. It was further contended that section 56(2)(x) of the Act was not applicable, as the property had been received well before the introduction of the said provision.

7. We have carefully considered the rival submissions and perused the material available on record. At the outset, we note that the issue relating to section 56(2)(x) of the Act has not been adjudicated by the learned CIT(A). The assessee has also not raised any cross-objection nor invoked Rule 27 of the Income-tax Appellate Tribunal Rules, 1963. Consequently, the said issue does not arise for our consideration in the present appeal.



7.1 The sole issue that survives is whether the learned CIT(A) was justified in deleting the addition made under section 69 of the Act in respect of the alleged unexplained investment in purchase of land.

7.2 The Assessing Officer noticed that two registered sale deeds, each relating to half portion of the same parcel of land, were executed during the year under consideration. In both deeds, the consideration was stated to be ₹24,75,000/- per portion, whereas the stamp duty valuation was ₹53,69,387/- for each portion. As per the recital in the registered deeds, the cash consideration was stated to have been paid in instalments in the year 2010. On the other hand, the assessee relied upon notarised possession letters dated 20.03.2013 and 20.07.2013, wherein cash payments were stated to have been made in the financial years 2012-13 and 2013-14. In notarized possession letter dated 20.07.2013 executed by the seller party of second half portion of land, the assessee claimed it was purchased in financial year 2013-14, and cash payment of Rs.75,000/-, Rs.4,00,000/- Rs.10,00,000/- and Rs.10,00,000/- are mentioned dated 13.05.2013, 13.05.2013, 08.06.2013 and 22.06.2013 respectively for getting possession of second half portion of land in question admeasuring 244.006 sq. mtr.

7.3 The Assessing Officer found that the payment schedules reflected in the possession letters did not tally with the recitals in



the registered sale deeds and, therefore, concluded that the assessee had failed to satisfactorily explain the source and timing of the cash payments. The entire stamp duty value of both parcels was accordingly treated as unexplained investment of Rs.53,69,387/- under section 69 of the Act.

7.4 The learned CIT(A) deleted the addition primarily on the basis that the land had been purchased in earlier years, that construction activity had already been carried out thereon, and that a survey had been conducted in the assessee's case followed by disclosure under the Income Declaration Scheme, 2016.

7.5 After considering the submission of the parties and the order of the lower authorities, we find substance in the Revenue's grievance that there is an apparent inconsistency between the recitals in the registered sale deeds and the contents of the possession letters regarding the year and manner of payment. While the assessee has claimed that the payments were made out of booking amounts and sale proceeds, no contemporaneous cash book, ledger entries duly corroborated with supporting vouchers, or other primary evidence demonstrating the flow of cash on the stated dates has been brought on record before the Assessing Officer or examined by the learned CIT(A). However, on a careful reading of the appellate order, it is evident that the deletion has been made largely on the basis of the assessee's assertions and surrounding



circumstances, without a detailed verification of primary documentary evidence evidencing the date-wise cash payments and the availability of cash on the relevant dates.

7.6 In matters falling under section 69 of the Act, the initial onus lies squarely on the assessee to satisfactorily explain the nature and source of the investment with credible and verifiable evidence. Mere assertions, howsoever plausible, cannot substitute such proof. Equally, where material discrepancies are noticed in the documents relied upon by the assessee, the same require proper verification and reconciliation.

7.7 In view of the foregoing discussion, we are of the considered opinion that the deletion of the addition by the learned CIT(A) is premature, inasmuch as the material discrepancy between the recitals in the registered sale deeds and the notarised possession letters regarding the timing and manner of cash payments has not been reconciled on the basis of primary documentary evidence. While the assessee has asserted that the payments were made out of booking advances and sale proceeds, such assertion has not been substantiated by contemporaneous records such as cash books, ledger accounts duly supported by vouchers, or other cogent evidence demonstrating availability and utilisation of cash on the relevant dates.



7.8 At the same time, having regard to the fact that the issue turns entirely on verification of factual material and not on any settled question of law, we deem it appropriate, in the interest of justice, to restore the matter to the file of the Assessing Officer for a limited and focused re-examination. The Assessing Officer shall afford the assessee one effective opportunity to place on record documentary evidence establishing (i) the date-wise cash payments towards purchase of the land, (ii) the corresponding source of such payments as reflected in the books of account, and (iii) reconciliation of the same with the recitals in the registered instruments.

7.9 The Assessing Officer shall confine the enquiry strictly to the above aspects and shall decide the issue afresh in accordance with law, by passing a reasoned order after granting due opportunity of being heard to the assessee. We clarify that no opinion is expressed on the merits of the addition, which shall be examined independently by the Assessing Officer on the basis of evidence brought on record.

7.10 Accordingly, the order of the learned CIT(A) on this issue is set aside and the matter is restored to the file of the Assessing Officer. The grounds raised by the Revenue are allowed for statistical purposes.



8. In the result, the appeal of the Revenue is allowed for statistical purposes.

Order pronounced under Rule 34(4) of ITAT Rule, 1963 on 23/12/2025.

**Sd/-
(SANDEEP GOSAIN)
JUDICIAL MEMBER**

**Sd/-
(OM PRAKASH KANT)
ACCOUNTANT MEMBER**

Surat;
Dated: 23/12/2025
Rahul Sharma, Sr. P.S. (on Tour)

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Surat
5. Guard file.

//True Copy//

BY ORDER,
(Assistant Registrar)
ITAT, Surat