IN THE INCOME TAX APPELLATE TRIBUNAL "DB" BENCH, PATNA

BEFORE SHRI DUVVURU RL REDDY, VP
AND
SHRI RAJESH KUMAR, AM

ITA No.373/PAT/2025

(Assessment Year: 2020-21)

Asst. Commissioner of income Tax, Central Circle-2 6th Floor, Annexe, Central Building, Beer Chand Patel Path, patna, Bihar-800001,	**Vs.**	**Patna Iron Pvt. Ltd.** Ground Floor, Suprabhat Building, Ceat compound, Phulwari, Patna-800001, Bihar
(Appellant)		**(Respondent)**

PAN No. AAFCP2484B

ITA No. 332/PAT/2025

(Assessment Year: 2020-21)

Patna Iron Pvt. Ltd. Ground Floor, Suprabhat Building, Ceat compound, Phulwari, Patna-800001, Bihar	**Vs.**	**Asst. Commissioner of income Tax, Central Circle-2** 6th Floor, Annexe, Central Building, Beer Chand Patel Path, patna, Bihar-800001,
(Appellant)		**(Respondent)**

ITA No. 237/PAT/2025

(Assessment Year: 2017-18)

Sushil Kumar Kanodia N-601, Profesor Colony, Chitragupta Nagar, Kanakrbagh, Patna-800020, Bihar	**Vs.**	**ACIT, Central Circle-2** Patna, Bihar
(Appellant)		**(Respondent)**

PAN No. AGYPK0702D

Assessee by	:	Shri Manish Rastogi, AR
Revenue by	:	Md. A.H. Chowdhary, DR

Date of hearing: 27.11.2025
Date of pronouncement: 26.02.2025

O R D E R

Per Rajesh Kumar, AM:

These appeals of two different assessee'sappeal by the Revenue are against the order of the Commissioner of Income-tax (Appeals), patna-3 (hereinafter referred to as the "Ld. CIT(A)"] dated 31.05.2025& 30.03.2025 for the AY 2020-21 (Cross Appeals) & A.Y. 2017-18.

A.Y. 2020-21

ITA No. 332/PAT/2025

2. At the time of hearing, ld. Counsel for the assessee pressed ground nos. 3 and 4, which is extracted as under:-

"3. For that the learned CIT-(A) has erred in the facts and circumstances of the case in restricting the addition to Rs 55,12,500/- by applying the Gross profit 15% by suspiciously treating the figures recorded in the seized material as turnover amounting to Rs 3,67,50,000/, which is wrong, illegal and unjustified.

4. For that the learned CIT(A) failed to appreciate that the addition made on the basis of the documents seized from somebody else ought to have been added in the assessment proceedings commenced under section 153C of the Act, which is wrong, illegal and unjustified in the facts and circumstances of the case."

3. The facts in brief are that a search action u/s 132 of the Act was conducted on 04.03.2020, at the business and office premises of the assessee by investigation Wing, Patna. During the course of search and seizure operation several incriminating documents were found and seized. The assessee originally filed the return of income on 08.01.2021, declaring total income of ₹12,89,36,560/-. The notice u/s 143(2) was issued on 01.03.2021, which was not complied with by the assessee. During the course of search the excess stock was found and accordingly, the ld. AO on the basis of the material found

during the course of search added ₹3,46,31,230/-. The second addition was made by the ld. AO in respect of amount which was found recorded in the seized materials found from the premises of the third-party Shri Laxman Tikmani during the course of search on himof ₹3,67,50,000/-.The assessment u/s 153A/ 143(3) of the Act was framed vide order dated 28.09.2021.

4. During the appellate proceedings, the ld. CIT (A) dismissed the appeal of the assessee on legal issue by rejecting the plea of the assessee to the effect that since the addition has been made on the basis of incriminating material seized from the third party, therefore, the proceedings should have been initiated u/s 153C of the Act and the assessment should have been framed accordingly whereas in the present case the proceeding has been initiated u/s 153A and consequently, the assessment framed u/s 143(3) /153A of the Act vide order dated 20.09.2021. The ld. CIT (A) dismissed the legal issue by observing and holding as under:-

> *"The submission of the appellant and the order of the AO has been carefully considered. The appellant has submitted that the said document LT-2 has not been found from his possession and any document found from an unrelated person cannot be used adversely in its case. If any action was to be initiated, the same should have been initiated u/s 153C since the document was seized from another person.*
>
> *This contention of the appellant is bereft of arrymenit. For search conducted on 19.03.2020, relevant assessment year is 2020-21, which had to be compulsory taken under scrutiny and this year is not fettered by requirement of incriminating material. Further, before initiating proceeding for this AY, the AO already had LT-02 in his possession. No separate action uls 1530 was warranted as per laws. Hence, this argument and related case wes submitted by the appellant are able to be rejected.*
>
> *The AD has held that amount mentioned in LT-02 as unexplained investment in purchases out of books. The appellant has vehemently objected to this finding. The appellarit has submitted that its premises as well as that of directors were covered in search. Not an iota of unrecorded purchases/investment was found from any premises. Moreover, whil, making assessment, the AO had accepted*

the book results which shows that the addition was made the assumptions and presumptions. The appellant has sought to nullify observation of the AO that amount was utilized to settle 'cash credits' by submitting that AD has failed to identify a single cash credit entry which was settled through Hawala. Once no such transaction is identifiable, the findings of Hawala transaction through LaxmanTikmani gets disproved. The appellant has further submitted that where it sought cross examination of LaxmanTikmani, the AD only provided seized material and statements of Shri Tikmeni instead of allowing cross examination to the assessee. During the course of assessment, the assessee submitted that there was not such person named 'Ravi Pl'. It is observed that Ld. AO has not identified 'Ravi Pl' without prejudice to submissions in foregoing paragraphs, the appellant also submitted that the recordings in alleged loose sheets does not entail their actual nature. On one hand the AO has alleged that beneficiary of the said entries is the assessee company and on the other hand, AO has held that amounts recorded in the said loose sheets were payments made for clandestine purchase. The appellant has further submitted that the real issue to be decided is as to whether the documents found from the premises of third party can be relied upon for making the addition in the hands of the appellant. Thus, the principal argument of the appellant is that the addition on the basis of seized material found during the course of search from third party cannot be sustained. This is more particularly so when the appellant has consistently and categorically denied any such transactions. The appellant is supported by the series of judicial pronouncements, which is as under-

> *1) CIT v. Sant Lal [317 CTR 483 (Del))- In this case, the department relied upon the notings of hundi in the diary seized from the premises of third party. The said notings allegedly contained entries of hundi transactions on behalf of parties including assessee whose names. were written in abbreviated/code words. The Hon'ble Delhi High Court relying on its earlier decision in the case of CIT v. Mahabir Prasad Gupta (hA No. 814 of 2015 dated 20.10.2015) held that since diary was neither found from premises of assessee nor was it in hand writing of assessee, no addition could be made in hands of assessee.*
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> *ii) Naren PremchandNagda v ITO (ITA No. 3265/Mum/2015) In this case, search was conducted at the premises of builder. The statement of key person of the group was recorded who stated that the assessee had paid cash to the group. When the statement of the key person was put to the assessee, he denied of making any payment in cash. However, the department made addition by relying on the statement of key person of the group. The Hon'ble Tribunal relying on series of judicial pronouncements held that in absence of any evidence found against the assessee, no addition can be made on the basis of documents found from the premises of third party and the statements recorded during the course of search conducted in third party premises. It may be noted that in this case the transaction of purchase of property by the assessee from the builder has not been denied by the assessee. Further, the cheque payment was also reflected in the seized notings. Inspite of this, the*

addition made on the basis of notings in respect of cash transaction was not confirmed.

iii) JawaharbhalAtmaramHathiwala v. ITO [128 TTJ 36 (Ahd) (UO)] In this case, addition was made by relying on seized material and statement of third party without bringing any other evidence on record. The Hon'ble Tribunal deleted the addition. The relevant portion of the order of Hon'ble Tribunal is as under (Head Note) "Held that no evidence could be brought on record by the Revenue to show that in fact the assessee had paid 'on money to the developers. No document containing signature of the assessee or handwriting of the assessee to corroborate the above making of payment by the assessee was found during the course of the search. Merely recording made by a third party or statement of a third party could not be treated as so sacrosanct so as to read as a positive material against the assessee. Therefore, addition in the hands of the assessee on account of 'on-money was not justified"

iv) ACIT v. Prabhat Oil Mills [52 TTJ 533 (Ahd)] In this case, the department relied upon certain notings in the seized diary found from the premises of third party and contended that the assessee had made sales outside the books of accounts. However, the assessee denied of having made any sales outside the books of accounts. The Hon'ble Tribunal held that once the assessee denies the transaction, the onus was on the Assessing Officer to prove with corroborative evidence that the entries in the seized diary represented sales outside books of accounts. The Hon'ble Tribunal further held that mere entries in the accounts of third party was not sufficient to prove that assessee had indulged in transaction outside books of accounts. Further, in para 9 of the order, the Hon'ble Tribunal also rejected the argument of the department that the matter should be set aside to the file of the Assessing Officer.

v) CIT v. M/s DagaFibres Pvt. Ltd (Bombay High Court). The Hon'ble Bombay High Court upheld the order of the Hon'ble Tribunal wherein the addition made by the Assessing Officer on the basis of loose paper found from the premises of third party was deleted since the assessee as well as third party had denied to have entered into any transaction. Further, no corroborative evidence was brought on record by the department to suggest that the transaction took place. In view of the same, the Hon'ble Bombay High Court, upholding the order of Hon'ble Tribunal, held that no addition can be made in the hands of assessee on the basis of loose papers found during the course of search at the premises of the third party.

Thus, the addition made is fit to be deleted on this count alone."

5. The AR vehemently submitted before us that a search has been conducted on the assessee u/s132 of the Act on 04-03-2020 and was

also simultaneously conducted on the Shri Laxman Tikhmani on the same date. It was further submitted that since the search and seizure operation was conducted at the fag end of the assessment year 2020-21, it is implied that the seized material LT02 which was found from the premises of Shri Laxman Tikhmaniand on the basis of which the addition was made by the ld. AO came to the possession of the AO in the next assessment year 2021-22. Therefore, the addition on the basis of the seized material found from the possession of the third party ought to have been made under section 153C of the Act and not under the normal provisions of the Act as the assessment year fell under the block period of six assessment years as defined in the first proviso to subclause (b) of section 153C(1) of the Act. The ld AR submitted that the case of the assessee finds support from the decision of Bhawna Garg vs DCIT Central, reported in [2025] 180 taxmann.com 9 (Delhi - Trib.), wherein it has been held that when the satisfaction note was recorded in the next financial year of the search and seizure operation conducted in the case of the third party, the year of search would be the next assessment year in which the satisfaction note was recorded. Therefore the assessment year fell within the block period of six years and the assessment ought to have been completed under section 153C of the Act and the assessment completed under section 143(3) of the Act ought to have been quashed.

5.1. The ld. AR submitted that once the material has been seized during the course of search on the third party, then the addition can only be made by the ld. AO on the basis of the said seized material by initiating the proceedings under section 153C of the Act for the preceding six assessment years in which the seized documents came

into the possession of the ld AO, as this is the specific section provided in the Act for making addition in respect of the income which were found recorded in the documents recovered during the course of search from the third party.

5.2. The ld. AR sub mitted that the case of the assessee finds support from the decision of Shyam Sunder Khandelwal vs ACIT, reported in[2024] 161 taxmann.com 255 (Rajasthan), duly approved by the Hon'ble Apex court in the case of ACIT vs Pramod Jain, reported in, [2025] 176 taxmann.com 762 (SC), wherein, it has been held by the Hon'ble court that once there is incriminating material seized or requisitioned belonging or relatable to person other than on whom search was conducted, section 153C is to be resorted toand provisions of sections 153A to 153D have prevalence over regular provisions for assessment or reassessment under sections 148 & 147/148. In defense of his argument, the ld. AR relied on the decision of the coordinate bench in case of DCIT vs Shivali Mahajan in ITA No. 5585/DEL/2015 vide order dated 19.03.2019.

6. The ld. DR on the other hand, relied heavily on the order of ld. AO and the ld. CIT (A) so far as the legal issue is concerned and submitted that it is not possible for the ld. AO to frame the assessment one u/s 153A and then u/s 153C of the Act separately. Though, the ld. DR candidly admitted that the addition of ₹3,67,50,000/- was made in respect of hawala transactions on the basis of seized material marked as LT-02, which was found during the course of search on third partyi.e. Shri Laxman Tikmani. Therefore, the ld. DR prayed that the legal issue prayed by the counsel of the assessee may kindly be dismissed.

7. After hearing the rival contentions and perusing the materials available on record, we find that in this case the search was conducted on the assessee at the business as well as the residential premises of the key persons on 04.03.2022. During which certain incriminating documents were found. The ld. AO made an addition on the basis of such incriminating material in respect of excess stock found during the course of search amounting to ₹3,46,31,230/-, which was deleted by the ld. CIT (A) and the revenue is in appeal before which is being decided by us in the latter part of this order. As far as the appeal of the assessee is concerned, the facts in brief are that the documents marked as LT02 was found during the course of search on Shri Laxman Tikhmani. On the basis of this seized material ld. AO added the entire amount of Rs 3,67,50,000/- recorded in the seized material LT 02 under section 69 of the Act by treating it as unexplained money and alleged that the assessee has done this hawala transaction to settle the unaccounted purchases made by the assessee. In the appellate proceedings, the ld. CIT (A) dismissed the legal issue but partly allowed the appeal of the assessee by treating the total transactions as turnover and applying the GP rate of 15% to assess the profit of Rs. 55,12,500/- embedded therein by observing and holding as under:-

"Thus, the addition made is fit to be deleted on this count alone.

The submission of the appellant has been examined and I find no merit in the above submission due to the fact that during the course of assessment proceedings in case of Shri Laxman Tamani, he confirmed the transactions found recorded in seized documents marked LT-01 and LT-02 by Mis Patna Iron Private Limited. Further information under section 133(0) was also sought from Shri Laxman Tikmani regarding the transactions done by Mis Patna Iron Private Limited through him. In reply to the notice uls 133(6), Laxman Tikmani again confirmed the transactions through him by Mis Patna Iron Private Limited during the year. From the perusal of the assessment order, the nature of transactions is not very clear that whether it is on account of unaccounted sales or unaccounted purchases. However, the addition of Rs 3.67,50,000 has been made on account of out of the books purchases and is added u/s 69 as

unexplained investment. As it cannot be doubted that the transactions found recorded in the seized material marked LT-01 and LT-02 is out of the books transactions whether on account of purchase or sales. In view of the natural justice and on the theory of tax has to be levied on real income only, income has to be determined on the principles of commercial accountancy. To determine the real income permissible expenses are required to be set off and I rely on the judgment in CIT, Gujarat v. S.C. Kothari where the following principle was laid down:

"6.... The tax collector cannot be heard to say that he will bring the gross receipts to tax. He can only tax profits of a trade or business. That cannot be done without deducting the losses and the legitimate expenses of the business..."

In Poona Electric supply co. Ltd. V. commissioner of Income Tax Bombay city-l (supra) this court has said:-

"Income tax is a tax on the real income l.e. the profits arrived at on commercial principles subject to the provisions of the income tax act."

The above view is further supported by the following judicial pronouncements:

(2008) 302 ITR 0063 (Guj) - Commissioner of Income Tax v. Gurubachhan Singh J.Juneja

> *"In absence of any material on record to show that there was any unexplained investment made by the assessee which was reflected by the alleged unaccounted sales, the finding of the Tribunal that only the GP on the said amount can be brought to tax does not call for any interference."*

Accordingly, in view of the above discussion and judicial pronouncements, I am of the considered opinion that the income element on such cash transaction out of books have to be brought to tax under section 69A of the IT Act, 1961. As these transactions have not been disclosed and the source thereof is also unexplained, it would be in the fitness of things to apply a higher rate of income vis a vis normal rate of GP or NP. On a very fair and conservative basis, I direct the assessing officer to adopt income @ 15% on the transaction value of Rs. 3,67,50,000 from undisclosed and unexplained sources u/s 69A. The same comes to Rs. 55,12,500/-. This ground is thus partly allowed."

7.1. Now the issue before us is whether addition can be made under section 153A/143(3) of the Act on basis of the documents found during search from the possession of a third party on the ground that since it was a search year and compulsory assessment was made on the basis of the information available with the ld. AO.

7.2. We find from the first para of the assessment order that the jurisdiction of the assessee's case was transferred to the ld. AO on

28-06-2020 vide order passed by the under section 127 of the Act by the Pr CIT-1, Patna. Therefore, it is implied that the documents seized from the possession of Shri Lazman Tikhmani also came into the possession of the ld. AO after the transfer of jurisdiction u/s 127 of the Act, i.e. 28-06-2020. In view of the fact that the materials seized from the third party was handed over to the ld. AO on or after 28-06-2020, the assessment for the assessment year falling preceding to the assessment year in which the sezided materials was handed over to the ld AO would have to be completed u/s 153C of the Act, this view finds support from the decision of Bhawna Garg vs DCIT Central, reported in [2025] 180 taxmann.com 9 (Delhi - Trib.).

7.3. In view of the above the view taken by the Commissioner (Appeals) that addition on the basis of the documents seized from the premises of a third party cannot be made under section 153C of the Act since the current assessment year was search year and the assessment was completed under compulsory assessment and the information found from the possession of the third party was available with him is not the correct view and therefore the addition made on this account and that confirmed by the Commissioner (Appeals) cannot be sustained.The case of the assessee is squarely covered by the decision of the co-ordinate bench in case of DCIT Vs. Shivali Mahajan (supra), wherein similar issue has also been laid down in the case of Trilok Chand Choudhry Vs. ACIT in ITA No. 5870/DEL/2017, Dy. CIT vs. M/s S.R. Credits Pvt. Ltd. in ITA No.5216/DEL/2015 dated 26.05.2020, PCIT vs. Anand Kumar Jain (HUF) (ITA 23/2021 dated 12.02.2021) HC Delhi. Accordingly, we set aside the order of ld. CIT (A) on this issue and direct the ld. AO to

delete the addition. The ground no. 3 & 4 of the assessee appeal allowed.

8. The other grounds raised by the assessee are general in nature and needs no adjudication.

9. The appeal of the assessee is allowed

A.Y. 2020-21

ITA No. 373/PAT/2025

10. The issue raised in ground no.1 and 2 is against the deletion of addition of ₹3,46,31,230/- by the ld. CIT (A) as made by the ld. AO in respect of unexplained investment on account of difference in stock valuation which was found during the course of statement recorded u/s 132(4) of the Income-tax Act, 1961 (the Act).

10.1. The facts in brief are that during the course of search,the quantity of stock found was 10478.441 metric tons, which was accepted by the assessee and the valuation of stock was done by the registered valuer by applying a flat rate of Rs. 45,000/- per metric tons. The valuation of the stock comes to ₹31,05,572/-, whereas the stocks as per books of account on the date of search were 9446.393 metric tons valued at ₹28,52,74,342/-. Thus, there was excess physical stocks of 1032.048 metric tons the value of which comes to ₹3,46,31,230/- (₹31,99,05,572/--28,52,74,342/-). Thus, the search team found excess stock of this extent and the said stock was added by the ld. AO as an unexplained investment in the assessment framed.

10.2. In the appellate proceedings, the ld. CIT (A) allowed the appeal of the assessee by holding that the Valuer Sh. Surendra

Pratap Singh, was not qualified to value the stock in trade and a number of discrepancies were found which were brought on record to justify the rejection of value of stocks. Being aggrieved with the order of ld. CIT (A), the Revenue is in appeal before us.

10.3. After hearing the rival contentions and perusing the materials available on record, we find that the ld. CIT (A) noted that there was a fatal mistake in appointing valuer who was not qualified to value the stocks in view of the decision of Hon'ble Karnataka High Court in case of V. Selvaraj Vs. DCIT dated 19.08.2021, wherein it has been categorically held that the valuation report is liable to be rejected if the registered valuer does not possess the qualification to value a particular class of assets. The ld. CIT (A) noted that in the instant case the registered valuer Sh. Surendra Pratap Singh, is a registered valuer for valuing immovable properties as is cleared the registration certificate and his letterhead, which was on record. The ld. CIT (A) noted that his letterhead showed that he was empanelled by various Banks and Public Sector undertakings for valuation of immovable properties. The ld. CIT (A) also noted that qualification for valuers for different class of assets is prescribed in Rule 8A of Wealth Tax Rules and as per this rule, qualification of valuation of stock and business assets are as under:-

(7) A valuer of stocks, shares, debentures, securities, shares in partnership firms and of business assets, including goodwill but excluding those referred to in sub rules (2) to (6) and (8) to (11), shall have the following qualifications, namely;

(i) he must be a member of the Institute of Chartered Accountants of India or the Institute of Cost and Works Accountants of India [or the Institute of Company Secretaries of India]; and

(ii) (A) he must have been in practice as a chartered accountant or a cost and works accountant or a company secretary for a period of not less than ten years and his gross receipts from such practice should not be less than fifty thousand rupees in any three of the five preceding years, or

(B) he must be a person formerly employed-

(a) in a post under Government as a gazetted officer, or

(b) in a post under any other employer carrying a remuneration of not less than Rs. [2,000] per month,

and, in either case, must have retired or resigned from such employment after having rendered service for a period of not less than [ten] years in the field of audit and accounts or taxation work [, or]

(c) as a Company Secretary [or a Deputy Company Secretary] or an Assistant Company Secretary in a post carrying a remuneration of not less than Rs. [2,000] per month and must have retired or resigned from such employment after having rendered service for a period of not less than [ten] years.

10.3.1. The case of the assessee find support from the decision of Hon'ble Apex court in Central Excise matter in case of Commissioner Vs. Sangemermer India Pvt. Ltd. 2004 (167) E.L.T. A26 (SC), wherein it has been held that small percentage of 5% is required to be ignored. The assessee accordingly, submitted that there is a difference between the actual stock hold by the assessee as recorded in the books of accounts and the error made by the valuer of stocks found at the time of search, there was minor different of 3.5%. Therefore, we do not find any infirmity in the order of the ld. CIT (A) and we uphold the same by dismissing ground no.1 and 2 of Revenue's appeal.

11. The issue raised in ground no.3 is against the order of ld. CIT (A) partly sustaining the addition made by the ld. AO at the rate of 15% of the total amount of hawala transactions done by the assessee of ₹3,67,50,000/- found on the basis of seized material LT-02, during search on the premises of the third party.

11.1. Since, we have already deleted this addition in ITA No.332/PAT/2025 for A.Y. 2020-21, in assessee's appeal, therefore,

this ground in Revenue's appeal become infructuous and is dismissed.

12. The appeal of the Revenue is dismissed.

A.Y.2017-18

ITA No. 237/PAT/2025

13. The only issue raised by the assessee in this appeal is against the confirmation of addition of ₹6,36,585/- by the ld. CIT (A) as made by the ld. AO in respect of unaccounted purchases of jewellery on the basis of document SKM-01, found during the course of search at the premises of Shri Santosh Kumar Mandholia a third party . The assessee challenged the deletion by raising an additional ground which is as under:-

"For that the CIT-(A) has erred in confirming the action of the assessing officer in failing to appreciate that the addition on the basis of the material seized from the possession of the third party ought to have been made under section 153C of the Act and not under section 153A of the Act, which is wrong, illegal and unjustified in the facts and circumstances of the case"

13.1. After hearing the rival contentions and perusing the material on record, we find that the assessee has raised the above additional ground of appeal challenging the jurisdiction of the of the AO to make addition. In our opinion the issued raised in the additional ground is a purely a legal issue qua which all the facts are available in the appeal folder and no further verification of facts are required from any quarter whatsoever. In our considered view the assessee is at liberty to raise any legal issue before any appellate authority for the first time even when the same has not been raised before the lower authorities. The case of the assessee is squarely coverd by the decisions of the Apex court in the case of i) Jute Corporation of India Ltd. Vs CIT in 187 ITR 688 , ii) National

Thermal Power Co. Ltd v. CIT [1998] 229 ITR 383 and also by the decision of Hon'ble Calcutta High Court in PCIT vs. Britannia Industries Ltd. [2017] 396 ITR 677 (Cal). Therefore, we are inclined to admit the same for adjudication.

13.2. Since the issue raised in this additional is similar to one as decided by us in ground no.4 in ITA no. 337/PAT/2025, wherein we have held that the addition based on the seized document found during the course of search on the third party can only be made if the proceedings are initiated u/s 153C of the Act. Since, in this case also the proceedings are initiated u/s 153A of the Act and the assessment was framed accordingly vide order dated 27.9.21 passed u/s 153A of the Act. Therefore, the same is invalid and cannot be sustained. Consequently, our finding in ITA No.4 in ITA No. 332/Pat/2025 is would, mutatis mutandis, apply to this appeal of assessee in ITA No. 237/PAT/2025. Hence, the appeal of assessee is allowed.

13.3. The appeal of the assessee is allowed.

14. In the result, the appeals of the assessee are allowed and appeal of the Revenue is dismissed.

Order pronounced in the open court on 26.02.2026.

Sd/-	Sd/-
(DUVVURU RL REDDY)	(RAJESH KUMAR)
(VICE PRESIDENT)	(ACCOUNTANT MEMBER)

Kolkata, Dated: 26.02.2025
Sudip Sarkar, Sr.PS

Copy of the Order forwarded to:

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

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Kolkata