आयकर अपीलीय अधिकरण, इंदौर न्यायपीठ, इंदौर
IN THE INCOME TAX APPELLATE TRIBUNAL
INDORE BENCH, INDORE

BEFORE SHRI B.M. BIYANI, ACCOUNTANT MEMBER
AND
SHRI PARESH M JOSHI, JUDICIAL MEMBER

ITA No.369/Ind/2024
(AY: 2017-18)

DCIT, Bhopal	**बनाम/** Vs.	Prakash Chandra, 16/244, Kings shopping Centre, MP Nagar, Zone-I, Bhopal-462011 Madhya Pradesh **(PAN:AAPPG5194E)**
(Appellant)		(Respondent)
Assessee by	Shri Soumya Bumb, CA	
Revenue by	Shri Ashish Porwal, Sr.DR	
Date of Hearing	23.03.2026	
Date of Pronouncement	10.04.2026	

आदेश / O R D E R

Per Paresh M Joshi, J.M.:

This is an Appeal filed by the **Revenue** under section 253 of the income tax Act 1961,[herein after referred to as the Act for the sake of brevity] before this tribunal as & by way of an Appeal. The Assessee is aggrieved by the order bearing Number:-ITBA/NFAC/S/250/2023-24/1060659730(1) dated **08.02.2024** passed by the Ld. CIT(A) u/s 250 of the Act, which is herein after referred to as the **"Impugned order".**

The Relevant Assessment year is 2017-18 and the corresponding previous year period is from 01.04.2016 to 31.03.2017.

2. **Factual Matrix**

2.1 That as & by way of an Assessment order made **u/s 143(3)** of the act, the total Income of the assessee was computed and assessed at **Rs. 3,02,72,343/-**. The total income as per the return of income was at **Rs. 30,17,550/-**. The addition of **Rs. 2,48,14,793/-** was made by virtue of Para 4.3 of the aforesaid assessment order. Further addition of **Rs. 24,40,000/-** was made by virtue of para 5 of the aforesaid assessment order. That the aforesaid assessment order bears No. ITBA/AST/S/143(3)/2019-20/1023028566(1) and that the same is dated **24.12.2019** which is herein after referred to as the **"Impugned assessment order".**

2.2 That the assessee is a proprietor of **"M/s Boot com system"** which is involved in the **business of purchasing, selling of computer hardware & peripheral devices etc.** The assessee filed it's e-return of income on **14.10.2017**

declaring total income of **Rs. 30,17,550/-**. The Case was selected through **CASS** for **scrutiny** and accordingly a notice **u/s 143(2)** of the Act was issued on **22.09.2018** which was served by mail on the assessee. A questionnaire **u/s 142(1)** was issued on **16.11.2019.**

2.3 The assessee has shown total turnover of **Rs**. **36,99,13,633/-** on which gross profit shown is at **Rs**. **77,20,387/-** which is about **2.09%** & the net profit of Rs. **31,67,274/-** i.e. **0.86%.**

2.4 In the assessee's case **monthly average sales is about 3 crore & most of the sales were in cash.**

2.5 That the assessee in response to the above notice filed written submission, copy of balance sheet, P/L A/C, and the information as required as per the questionnaire.

2.6 That in the **ITR** the Assessee had **not mentioned cash deposited during the demonetization period.**

2.7 That as per the **data** available it was seen that the assessee had deposited **cash** of **Rs. 3,94,33,500/- during the demonetization period.**

2.8 That average monthly cash sales was about Rs. 1.37 Crore.

2.9 That sales increased **during the year three times** as **compared to the previous year 2015-16 relevant to AY 2016-17.**

2.10 It was observed that the assessee has maintained **high cash** during the year as **compared** to the AY 16-17.

2.11 That the assessee had average **cash in hand** from the month of June 2016 to 8.11.2016 was of **Rs. 2,61,50,000/-** whereas the average cash balance in the **corresponding** period of AY 2016-17 was at **Rs. 24,94,000/-.**

2.12 It was also observed that **the minimum & maximum** cash in hand in AY 2016-17 was at **Rs. 2,31,304/-** & **Rs. 53,77,689/- whereas in the AY 2017-18** it was at **Rs. 2,92,392/- & Rs. 2,98,14,793/-.**

2.13 It was also observed that after 09.11.2016 the average cash in hand was at **Rs. 14,26,600/-.**

2.14 On the perusal of the above it is seen that the assessee has increased its cash in hand right from May 2016 of **Rs. 1,45,85,298 to Rs. 2,98,14,793/- as on 08.11.2016.**

2.15 The assessee used to **deposit the cash regularly & also withdraw the cash from time to time.**

2.16 The Assessee has no answer for the withdrawal of cash from the bank when more than sufficient cash in hand was available in the books.

2.17 The Assessee **purchases the material through bank payments** and also in some instances **purchases the spares in cash**. In such circumstances the assessee has never maintained huge cash in hand in the earlier period & also after 08.11.2026 the date of old currency banned.

2.18 It was further seen & observed that **about 1/3rd sale were in cash. But the assessee has not maintained the quantitative stock details neither it is mentioned in ITR not in audit report in the prescribed form. As No stock details maintained but about 12 to 14 crore sales were shown in the during the years under consideration i.e. AY 17-18.**

2.19 In view of the above facts it is beyond understanding that even after having huge cash balance then why cash was withdrawn from the bank. In the above facts it is appear that

cash sales **were pre-pond and booked accordingly and thereby increased cash balance**. "Assessee vide show cause notice u/s 142(1) dated 15/12/2019 was asked to explain the reason for high maintenance of cash balance on the facts that no quantitative **stock details produced neither it was mentioned in ITR or audit report. In view of this facts why cash deposited during the demonetized period should not be treated as unexplained.**

2.20 Assessee has filed reply but not convincing. Now considering the above facts and **increase of turnover during the year average cash balance is estimated at Rs. 50 lakhs** and excess cash shown by adjustment of cash sales and increased cash balance as on **8/11/2016** at Rs. **2,98,14,793/-**, Therefore difference amount of Rs. **2,48,14,793/-** is treated as unexplained cash credit u/s 68 of the Act and taxed as per provision of section 115BBE of the Act. Assessee has misreported the income to the extent of **Rs. 2,48,14,793/-** on which penalty proceeding u/s 271AAC/270A is separately initiated.

2.21 In capital account the assessee has introduced the capital of **Rs. 24,40,000/-**, the assessee was asked to explain the **sources of capital addition** but no explanation offered. In view of the above the assessee has **failed to** explain **the sources of capital** introduced during the year. Hence an amount of **Rs. 24,40,000/-** being capital **introduced is** taxed u/s 68 of the Act and tax is computed as per provision of section 115BBE of the Act.

3. That the assessee being aggrieved by the aforesaid **"Impugned assessment order"** prefers the **first appeal u/s 246A of the Act** before the Ld. CIT(A) who by the **"Impugned order"** has **partly allowed** the appeal of the assessee, on the grounds & reasons stated therein. The core grounds & reasons for "partly allowing the first appeal" were as under:-

> ***"(3.2)*** *Adjudication of ground 1; The assessing officer added cash deposits invoking section 68 by stating that the appellant preponed his sales and artificially increased cash balance. In the absence of proper stock register, the explanation that the cash deposits were generated from cash sales was rejected by the AO. The appellant claimed that he submitted purchase and sales register before the AO. It is seen that the books of accounts were not rejected by the AO. No specific discrepancy was mentioned in sales, purchases or stock position of the appellant. It w is seen from purchase and sales details submitted during appeal*

proceedings that the appellant has recorded entire purchases and cash sales in his books along with invoice numbers. The assessing officer has stated that average monthly cash sale was about Rs.1.37 crore and in some instances purchases were made in cash. Supreme Court in the case of Laxmichand Baijnath vs CIT in 35 ITR 416 held that, amount credited in business books can normally be presumed as related to business. Payments received from various customers cannot be doubted until contrary material is brought on record. To treat a receipt as unexplained income the AO needs to be in possession of some material indicating that the assessee has received certain amounts which have not been reflected in the books of account. Receipts recorded in the books of accounts were already part of the income which was already credited in P&L account. Details of payees are included in appellant's books and it is clear that cash generated from business was recorded in the cash book. Thus, it cannot be said that cash deposits were made by the assessee outside the books of accounts.

(3.2.1) *The jurisdictional Indore ITAT in the case of Dewas Soya Ltd. v. Income Tax [Appeal No 336/Ind/2012] has held that the claim of the appellant that such addition resulted into double taxation of the same income in the same year is also acceptable because on one hand cost of the sales has been taxed (after deducting gross profit from same price ultimately credited to profit & loss account) and on the other hand amounts received from above parties has also been added u/s. 68 of the Act. This view has been held by the Hon'ble Supreme Court in the case of CIT v. Devi Prasad Vishwanath Prasad [1969] 72 ITR 194 that "It is for the assessee to prove that even if the cash credit represents income, it is income from a source, which has already been taxed". The assessee has already offered the sales for taxation hence the onus has been discharged by it and the same income cannot be taxed again. Similiar decision of the Delhi Tribunal in the case of Agson Global Pvt. Ltd. vs. ACIT was affirmed by the Delhi High Court in the case of PCIT vs. Agson Global Pvt. Ltd. (441 ITR 550), wherein the Hon'ble High Court held that considering the trend of cash sales and corresponding cash deposited by the assessee with earlier years, we are of the view that there was nothing placed on record-which could have persuaded the Tribunal to conclude that the assessee had, in fact, earned unaccounted income i.e., made cash deposits which were not represented by cash sales. Hon'ble Gujarat High Court had approved the ITAT order in the case of Vishal Exports Overseas Ltd. ITA No. 2471/2009, holding that where the A.O has accepted the sales realization as income, addition on the same account u/s 68 of the*

Act would be tantamount to double taxation of the same income. So, cash deposits in this case do not warrant addition under section 68 as the source is clearly from business. Hence it is held that cash sales which is shown as income and is duly entered in the regular books of accounts cannot be taxed under section 68. As a result, ground no 1 is allowed.

(4) *Ground No. 2 is raised against the addition u/s 68 of Rs 24,40,000 being capital introduced,. Assessee was asked to explain source of capital addition but no explanation offered. In view of the above Rs. 24,40,000 being capital introduced was taxed u/s 68 of the Act. During appeal proceedings the appellant submitted PAN number and complete address of his maternal Uncle who had given gift of Rs 24,40,000 to the assessee. Maternal uncle comes under the definition of relative u/s 56. Confirmation letter and bank statement of the gift payer was verified. It is seen that transfer of only Rs.10,00,000 is reflected in the bank statement of the payer out of total Rs.24,40,000. The appellant claims that balance amount was received as cash gift. However corresponding withdrawals are not reflected in the bank statement of the payer. In the absence of any verifiable supporting evidence addition of Rs:14,40,000 is sustained under section 68. As a result, ground no 2 is partly allowed.*

(5). In result, the appeal is partly allowed.

4. That the **Revenue** being aggrieved by the **"Impugned order"** has preferred the instant appeal before this Tribunal and has raised the following grounds of appeal in the Form No. 36 against the **"Impugned order"** which are as under:-

"1. Ground"Whether on the facts and circumstances of the case, the CIT(A) has erred in deleting the entire addition amounting to Rs. 2,48,14,793/- as unexplained cash credit u/s 68 of the Act in the assessment order u/s 143(3) of the Act dated 24.12.2019?"

2. "Whether on the facts and circumstances of the case, the CIT(A) has erred in deleting the a portion amounting to Rs. 10,00,000/- out of the addition amounting to Rs. 24,40,000/- made in the assessment order on account of

unexplained cash credit u/s 68 of the Act towards capital introduction in the firm of the assessee as per the assessment order u/s 143(3) of the Act dated 24.12.2019?"

5. **Record of hearing**

5.1 The hearing in the matter took place before this Tribunal on 19.03.2026 when the Ld. DR for & on behalf of the revenue appeared before us & interalia contended that the **"Impugned order"** is bad in law illegal & not proper. It therefore deserves to be set aside. It was next contended that there is a delay of 11 days in filling the instant appeal & that same should be condoned. The Ld. AR submitted that the assessee has no objection. Accordingly we condone the delay as **"sufficient cause"** is shown in condonation of delay application & an affidavit in the support thereof. Appeal is admitted & taken up for the hearing.

5.2 The Ld. DR for and on behalf of the Revenue then contended that in the sum & the substance there are **two issues in the present appeal**. In respect of the first issue the Ld. CIT(A) has **deleted the addition** so made by the ld.

AO in the **"Impugned assessment order"** whereas in respect of second issue **a part deletion is made**.

5.3 The Ld. DR for the Revenue then read out the aforesaid grounds of appeal.

5.4 The Ld. DR then read out para 2 & 4 of the **"Impugned assessment order".** While reading para 4.1 of the **"Impugned assessment order"** it was emphasised by the Ld. DR that the "**Quantitative stock details are not maintained by the assessee.** Basis para 4.2 of the **"Impugned assessment order"** it was once again emphasised that the assessee had maintained **the huge cash balance & despite this there are cash withdrawal from the bank. Hence cash sales are prepond & booked & cash balance increased**. **No quantitative stock details were produced despite notice u/s 142(1) dated 15.12.2019. Nothing is mentioned in the ITR nor in audit report.** Hence the cash deposited during the demonetization period is unexplained. The Ld. DR then stated that the conclusion drawn by Ld. AO in para 4.3 by virtue of which the addition of **Rs. 2,48,14,793/- is correct & is based on material on**

record which are well analysed. Excess cash shown by adjustment of cash sales and increased cash balance coupled with the fact that there are no quantitative stock details, nor any mention in ITR and audit report are proof enough that addition u/s 68 of Rs. 2,48,14,793/- has gone unexplained by the assessee. The Ld. CIT(A) in the **"Impugned order"** has failed to appreciate the same.

5.5 In so far as **"Impugned order"** of Ld. CIT(A) is concerned the Ld. DR read out para 3.2 of the impugned order & submitted the same is contrary to the impugned assessment order of Ld. AO. It was submitted that views of the Ld. CIT(A) is contrary as **the case is fit case for the preponed sales & the artificial increase of cash balance in the absence of proper stock register.** It is a very peculiar situation in the instant appeal. There is no production of stock register before the Ld. AO. Merely placing reliance on purchase & sales register without producing stock register is of no value. Further Ld. AO has rightly doubted the cash withdrawals. Simply producing the purchase & the sale register without

any examination and analysis of the same minutely & properly is not sufficient exercise in law.

5.6 With regard to the **second issue of Rs. 24,40,000/- being the "capital introduced"** the assessee was asked to explain the sources of "capital addition" during the course of the assessment proceedings but no explanation was offered which fact is recorded in para 5 of the **"Impugned assessment order".** Hence Ld. AO has correctly treated Rs. 24,40,000/- being **capital addition** as unexplained u/s 68 and has correctly invoked 115 BBE of the Act on account of failure to offer any explanation despite opportunity in this regard. The Ld. DR emphatically submitted that **for the first time** the assessee submitted an explanation about the source of Rs. 24,40,000/- as a gift from **the maternal uncle** which was as and by way of **an additional evidence.** However, there **is no application of additional evidence on record.** The Ld. CIT(A) in response there to **did not call for the remand report from the Ld. AO. No gift deed is on record.** The Ld. CIT(A) has **not done any verification on this aspect.** No reasons are given in the impugned order in

the para 4 in this regard. No verification is done by Ld. CIT(A) from the maternal uncle. Name of maternal uncle is not stated nor any PAN details in the impugned order. There is thus total non-application of mind on these aspects by the ld. CIT(A). The **"Impugned order"** is **cryptic** & that the "impugned assessment order" should be upheld. Only Rs. 10 lakh out of 24,40,000/- was claimed to have been verified from the bank statement as & by way of transfer. Balance amount of Rs. 14,40,000/- was cash **but not withdrawal is seen**. Only addition on Rs. 14,40,000/- is sustained & the relief of Rs. 10 lakh is granted to the assessee without any proper inquiry, verification, due diligence which normally Ld. AO would have done so if the details were given at the original stage of assessment by the assessee which did not happen. The due process of law was completely ignored. Even while exercising the appellate powers which are generally co-existensive with the powers of the Ld. AO. No due process of law on the inquiry, verification due diligence was done by Ld. CIT(A). Therefore the Impugned order should be set aside on both the issue as no satisfactory explanation

coupled with any credible documentary was produced both at the original stage of assessment as well as at the stage of the first appeal.

5.7 Per contra the Ld. AR for and on behalf of the assessee has placed on record of this Tribunal a paper book containing pages from 1 to 21.

5.8 The Ld. AR read out para 1 of PB filed and placed on record. [page 1 to 5 of PB] our attention was then invited to page 11 of PB which is a copy of VAT return e-filed on 01.11.2016 for the period **01.07.2016 to 30.09.2016**. It was explained that this was before the demonetization & the sales were declared. The **Office copy is dated 16.11.2016.** Paper book page 2 table was read out. It was submitted basis table **that the sales during the year under consideration increased not due to demonetization.** It was submitted that cash balance as on 8.05.2016 is made basis of addition. It was submitted VAT for demonetization period was not filed. PB page 3 cash book summary was read out. It was submitted that there is no unusual cash deposit out of the sales. Paper Book page 4 page 1(IX), PB page 5 para 1(X) and

(XI) were too read out, Page 6 PB para 2, 3, 4 were read out. Page 5 of PB para 5 & 6 were too read out.

5.9 It was submitted that the Ld. AO made an error in the estimation of Rs. 50 lakh. Para 4 of the **"Impugned assessment order"** has no basis. Cash is from the sales only. Our attention was invited to the page 15 of PB [P/L A/C] to the sales figures, gross Profit & net profit figures. Our attention was invited to the page 14 of the PB [balance sheet] capital A/C to demonstrate the addition of Rs. 24,40,000/- **as addition to capital.** Comparison was shown basis PB[P/L A/C as on 31.3.2016] & the Page 15 PB [P/L A/C as on 31.03.2017]. The Ld. AO has not rejected the books of accounts & has accepted the sales. It was submitted that all the records were before the Ld. CIT(A).

5.10 In so far as second issue/ground was concerned the Ld. AR submitted that the addition on capital A/C of Rs. 24,40,000/- was made during the year under consideration. The "sources" of such addition was gift by the maternal uncle. Our attention was invited to page 16 of PB [confirmation & declaration of gift] letter dated 27.01.2024 were in on

02.08.2016 & 08.08.2016 the amount of Rs. 5 lakh each aggregating to Rs. 10 lakh was paid to assessee by cheque/RTGS. It was submitted that payment of Rs. 50,000/- on 11.08.2016 & of Rs. 50,000/- on 16.08.2016 as reflected in letter **are cash entries** not reflecting in the bank statement. All other remaining payments from 11.8.16 to 03.09.2016 **are by cash only**. Letter of donor shri Shanti Sagar Gupta is dated **27.01.2024** whereas impugned order of Ld. CIT(A) is dated **08.02.2024.** Entries of Rs. 5 lakh each(Supra) aggregating to Rs. 10 lakh were corroborated by the bank statements at page 17 & 19 of PB of assessee. It was submitted that out of Rs. 24,40,000/- CIT(A) had granted relief of Rs. 10 lakh & the rest of amount of Rs. 14,40,000/- was **denied the relief.** Revenue has challenged this amount & rest of the amount of Rs. 14,40,000/- is not disputed by the either side.

5.11 In the rejoinder exercise the Ld. DR for the Revenue submitted that the additional evidence has been made basis with non-adherence to the **rule 46A of the Rules.** No opportunity was given to the Ld. AO. Due process of law has not been followed by

the CIT(A). The Due Process of law is also not followed by the assesse too. The gift deed is also not no record. The so called letter dated 27.01.2024 on page 16 of PB [confirmation & declaration of gift] from shanti Sagar Gupta the maternal uncle was a new piece of evidence not before the Ld. AO but was **introduced for the first time before CIT(A) & just after 10 days impugned order dated 08.02.2024 was passed with no proper inquiry & verification done with the donor**. VAT returns placed on record of **only one quarter does not mentions about cash sales.** The Ld. AR replied that the cash book was filed & so also sales Registers were filed. Stock register was sought by the Ld. AO but since the same is not maintained by the assesse **it was not filed**. The Ld. DR then stated & submitted that doubt of Ld. AO now stood not clarified by the assesse. Full audit report not mentioned investory & stock register, quarterly, half yearly and yearly not produced by the assessee before the Ld. AO & the Ld. CIT(A). There is not certificate in PB that it was produced before Ld. AO. The truth has come out that the stock register/inventory of any type was

not maintained by the assessee and that nothing was filed before AO in this regard. Hearing was then concluded & closed.

6. **Observations, Findings & conclusions**

6.1 We have to decide the legality, validity and proprietary of the **"impugned order"** basis records of the case & the rival submission canvassed before us.

6.2 We have carefully perused the records of the case and have heard the submissions.

6.3 We basis records of the case & after hearing & upon examining the rival contentions of the Ld. DR & the Ld. AR canvassed before us, are of the considered opinion that the impugned order of the Ld. CIT(A), in so far as the **addition of Rs. 2,48,14,793/-** is concerned which is made by the Ld. AO basis para 4.3 of the "**impugned assessment order"** is concerned the same has been made by virtue of para 4,4.1,4.2 of the "**impugned assessment order"** the said basis has been rightly tarnished by the Ld. CIT(A) basis para 3.2,3.2.1 of the "**impugned order".** The Revenue during the course of the hearing has not been able to tarnish the said findings by any

cogent material on record. The Revenue has failed to being any credible evidence, material & documents basis which above finding can be said to be illegal & wrong. The sheet-anchor of the Revenue's argument throughout has been that the assesse has failed to produce the quantitative stock details & in the absence of stock/inventory details the purchase & sales register loses all it's importance. We cannot subscribe to this contention of the Revenue. We observe that in para 3.2 the Ld. CIT(A) has rightly held that there is submission of the purchase & sales register before the Ld. AO. No specific discrepancy was mentioned in sales, purchases or even on the stock position of the assesse. It is rightly recorded by the Ld. CIT(A) that even during the first appellate proceedings the assesse has recorded the entire purchases & the cash sales with the invoice No's.

On this aspect, the Revenue has not brought any material much less any arguments to dislodge the said observation of the Ld. CIT(A), during the course of the hearing before us save & except that the stock/inventory register is absent. We hold that in the absence of stock/inventory registry the character of purchases & the sales register cannot be doubted at all. The Ld. AR has stated

that the assesse deals with 1000 products & takes physical count of same at the end of the year which submission of Ld. AR has not been controverted by the Ld. DR for the Revenue during the course of the hearing before us. We therefore hold that both the purchases & the sales have not been disputed by the Revenue save & expect that there is absence of the stock register. **Paucity of stock register** cannot be **fatal** to the purchases & the sales, in our considered view. The Ld. DR has failed to distinguish the judgments of Hon'ble Supreme Court and that of the ITAT Indore relied upon by the Ld. CIT(A) in para 3.2 & 3.2.1 of the "**impugned order"** under challenge by the Revenue in the present appeal. The Ld. AR has submitted that bulk of the business of the assessee is in the cash, the cashbook is maintained & no discrepancy were noticed in it by the lower authorities. We therefore hold that analogy drawn by the Ld. Assessing Officer in para 4,4.1 4.2& 4.3 of the "**impugned assessment order"** is not correct further Ld. CIT(A) has rightly held that the books of account are not rejected by the Ld. Assessing Officer.

We therefore hold that in the absence of any discrepancy in the register of purchases and the sales, not rejecting the books of account are crucial & the "**impugned order"** on the **first issue is correct & proper.**

6.4 In so far as the **second issue** of Rs. 24,40,000/- is concerned we are of the considered opinion that the Ld. CIT(A) ought to have followed the due process of law as contemplated in the Act & Rules. The **grievance** is made by the Ld. DR on this score & we concur with his grievance. While it is true that the Ld. CIT(A) powers are coterminous with that of the Ld. Assessing Officer & Ld. CIT(A) too can adjudge & adjudicate the issue for the first time at first appellate stage but he is mandated to at least give a notice to the Ld. Assessing Officer in this regard, in order to meet the ends of justice & so also the principles of natural justice. The grievance of the revenue is all genuine & correct in law. Further Ld. CIT(A) has not made any inquiry with the donor & no gift deed is on record. The material particulars of donor are totally absent. Increase in capital by 24,40,000/- for the year under consideration requires full & credible material which assessee has failed to do so. We notice that even before the Ld. Assessing

Officer the assesse had failed to offer any explanation [para 5 of the impugned assessment order] & that for the first time an explanation was offered by assessee before the CIT(A) **basis** material discussed **(supra)** the Ld. CIT(A) in such circumstances ought to have examined the entire issue of Rs. 24,40,000/- has allowed the amount of Rs. 10 lakh without even ascertaining the full & complete identity of the donor the nature of transaction of gift. Nothing is reflected in the impugned order. **The details & the due diligence is required as to how the capital was an enhanced**, & what was the purpose & reason for such enhancement. In the absence of any thing on record in this regard even before us we uphold the contention of the Ld. DR on this score. Accordingly the part deletion of Rs. 10 lakh allowed by the Ld. CIT(A) is wrong as the same is not as per the due process of law (supra). The three fold test on identity, nature of transactions, genuineness and the creditworthiness /capacity/strength are **absent** in the impugned order & so also in the impugned assessment order for which burden of proof is on the assessee.

6.5 In view of the premises drawn up by us, we sustain the deletion of Rs. 2,48,14,793/- done by Ld. CIT(A) in the "**impugned order"** however, we set aside his finding on Rs. 10 lakh as we notice that basis PB pages 16 to 21 there are on the records.

(i) confirmation & declaration of the gift of Shanti Sagar Gupta the donor (ii) Bank statement of Boot Com Systems & (iii) Copy of pass book of shanti Sagar Supta. These documents require due inquiry & verification including on the three fold test (supra) on the gift amount of Rs.10,00,000/-[Ten lac) [contested amount before us]. Accordingly the "Impugned order" on the second issue is set aside as & by way of remand back to the file of the Ld.AO who shall now deal **with only the second issue afresh on denovo basis.** In this regard the assessee to give explanation on the capital addition too besides filling the above documents before the Ld. AO.

7. **Order**

5.1 In the result the "**impugned order"** is sustained on the first issue & set Aside on the second issue as & by way of remand back to the file of the Ld. AO with directions as aforesaid.

5.2. Appeal of the revenue is allowed partly as aforesaid.

pronounced in open court on 10.04.2026.

Sd/-	Sd/-
(BHAGIRATH MAL BIYANI)	**(PARESH M JOSHI)**
ACCOUNTANT MEMBER	**JUDICIAL MEMBER**

Indore
Dated : 10 /04/2026
Patel/Sr. PS

Copies to:
(1) The appellant
(2) The respondent
(3) CIT
(4) CIT(A)
(5) Departmental Representative
(6) Guard File

By order

Senior Private Secretary
Income Tax Appellate Tribunal
Indore Bench, Indore