

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

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.4500/Del/2025
[Assessment Year : 2021-22]**

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| ACIT Central Circle-30 New Delhi | vs | Sanjay Goel Flat No.727, Catania Tower, Mahagun Moderne, Sector- 78, Gautam Budha Nagar, Noida-201301. PAN-AANPG7349F |
| APPELLANT | | RESPONDENT |
| Revenue by | | Ms. Pooja Swaroop, CIT DR |
| Assessee by | | Shri Gaurav Jain, Adv. & Shri Tarun Chanana, Adv. |
| Date of Hearing | | 28.01.2026 |
| Date of Pronouncement | | 17.04.2026 |

ORDER

PER MANISH AGARWAL, AM :

The present appeal is filed by Revenue against the order dated 31.03.2025 by Ld. Commissioner of Income Tax (A)-30, New Delhi [“Ld.CIT(A)”] in Appeal No.30/10158/2020-21 passed u/s 250 of the Income Tax Act, 1961 [“the Act”] arising out of assessment order dated 14.02.2023 passed u/s 143(3) of the Act pertaining to Assessment Year 2021-22.

2. Brief facts of the case are that assessee is an individual and e-filed his return of income on 29.03.2022, declaring total income of INR 49,07,440/-. A search and seizure operation u/s 132 was conducted on 21.12.2021 in the case of Oppo Mobile India Group and its employees at the business/residential premises. The assessee being one of the employees and posted as Director of finance, a search was also carried out at his residential premises. During the course of search, statements of the assessee were recorded u/s 132(4), wherein in reply to Question No.51, assessee has admitted that he had received INR 10.5 crores in cash as commission on total GST refund received by the company and was utilized this cash to buy jewellery and was deposited in the bank accounts of his family members. Accordingly, the assessee had admitted additional undisclosed income of INR 10.5 crores. Thereafter, assessee through letter dated 05.01.2022 filed before DDIT, Investigation, Unit-3, Delhi had retracted from such statements. However, the AO based on such admission of the assessee in the statements recorded during the course of search, had made the addition of INR 10.5 crores as unexplained receipt u/s 69A of the Act and total income of the assessee was assessed at INR 10,99,07,440/-.

3. Against the said order, the assessee has filed an appeal before Ld.CIT(A) wherein the assessee has claimed that the statements were recorded u/s 132(4) during the search wherein the assessee under pressure and due to prolonged search, had admitted the additional undisclosed income which was later retracted. Ld. CIT(A) by relying

upon the judgement of Hon'ble Delhi High Court in the case of **PCIT vs Anand Kumar Jain (HUF)** in **ITA No.23/2021** dated **12.02.2021** deleted the addition made.

4. Aggrieved by the said order, the Revenue preferred the present appeal before the Tribunal.

5. All the Grounds of appeal raised by the Revenue are with respect to the observations of Ld. CIT(A) on account of veracity of the genuineness of the statements recorded u/s 132(4) of the Act during the course of search and deletion of addition of INR 10.50 crores made by the AO thus, they are taken together for consideration.

6. Before us, Ld. CIT DR for the Revenue submits that the assessee during the course of search in the statements recorded u/s 132(4) of the Act has made categorical admission that he had received commission in cash from Mr. ZED of Oppo Mobile which was distributed between Shri Mahendra Ram Sundar and himself. Assessee further stated that they have provided bill for GST refund of INR 807.5 crores issued to the company Oppo Mobile and for this service, they were paid commission @ 1.3% of the total GST refund which comes to INR 10.5 crores. Ld. CIT DR stated that the said amount was utilized for purchase of jewellery and deposited in cash and same money was given to third party i.e. Shri Nitin Goyal whose mobile No. was also given.

7. Since the assessee is an employee of Oppo Mobiles India Pvt. Ltd. whose director was Mr. Zed who had given refund commission of 1.3% on the refund of GST, as has been admitted by assessee, therefore, Ld. CIT DR submits that the said amount is additional undisclosed income of the assessee. Ld. CIT DR further submits that claim of the assessee through retraction letter that he was not mentally fit and his medical condition was unstable cannot be accepted without any supporting evidences and is an afterthought. Had there been any health problem with the assessee that could have been stated during the course of search itself which was continued for 04 days. He accordingly, submits that the additions made by the AO be restored.

8. Per contra, ld. AR vehemently supported the order of Ld. CIT(A) and submits that search was started on early hours of 21.12.2021 and concluded on 24.12.2021 after more than 04 days and during the entire period, the assessee was kept under tremendous pressure by the Department. The assessee was under trauma and surrounded by various Officials as well as Police Officials. The assessee is a patient with high blood pressure and was taken to Medanta Hospital during the course of search. As per ld. AR these facts are borne out from the record itself and for this, medical reports of the assessee are also placed at pages 70 to 84 of the Paper Book. Ld.AR also drew our attention to the retraction letter filed by the assessee before the ADIT dated 03.01.2022 alongwith the affidavit of reaffirming the facts stated in retraction letter which was filed on 05.01.2022. Ld.AR

further submits that as a result of search, there was no material found, indicating any unexplained investment in acquisition of jewellery or deposit of cash in the bank accounts of any of the family members as was admitted in the statements recorded during the search wherein in reply to Question No.51 where the additional income of INR 10.5 crores was admitted, it was further admitted by the assessee that the said income was used for acquisition of jewellery and some cash was deposited in the bank accounts. The relevant question and reply are reproduced at page 3 of the assessment order. Ld. AR submits that Hon'ble Delhi High Court in the case PCIT vs Anand Kumar Jain (HUF) in ITA No.2127/2021 vide order dated 12.02.2021 has held that except the so called admission in the statement, there is no corroborative material was found or placed on record, based on which, it could be held that the assessee is having undisclosed income. He therefore, prayed for the confirmation of the order of Ld. CIT(A) who has deleted the addition after considering these facts. He prayed accordingly.

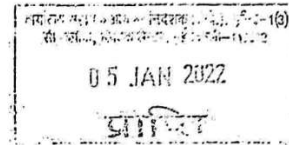
9. Heard the contentions of both the parties at length and perused the material available on record. It is observed that during the course of search in the statement recorded u/s 132(4) of the Act, assessee in reply to Question No.51 had admitted additional undisclosed income of INR 10.5 crores received in cash as commission from the Director of Oppo Mobile Pvt. Ltd. for providing services for the GST refund. It was further stated in the said statement that this amount was utilized for purchase of jewellery and some cash was deposited

into bank accounts of family members. The said statements were retracted by the assessee by filing letter which is reproduced herein below:-

Dated :- 30th January, 2022

To,

Ms. Rachna Chokkar
DDIT. (Investigation) in Unit 1(3)
C, Block, Civic Centre
New Delhi.



Respected Madam,

Subject :- Retraction of part of my statement recorded by Madam Singhupriya Singh on 24th / 25th December, 2021 during search operations at my residence flat no 727, Catania Tower, Mahgun Moderne Sector 7B, Noida, M/R.

Kindly refer to the above, the Under Signi was working as Asst Director Finance & A/c in M/L of PPO Mobiles India Pvt Ltd (OMIPL) since February, 2014. On 24th / 25th December, there was search operation conducted by the Income Tax Department at my residence at flat No 727, Catania Tower, Mahgun Moderne, Catania Tower, Noida, Sector 7B, L

Ms. Sanghupriya Singh was the group leader during the search operations and my statement on oath was recorded by her on 24th Dec / 25th December, 2021. During the search for the undersigned came under great mental strain and as a result had to visit hospital also as I had not faced any such situation anytime in my life.

During my statement the officers were always asking about undisclosed income and hidden cash etc. persistently. Then I under the wrong impression thought that if I disclose admit some additional income then probably the search may be concluded soon.

During the statement the officer asked about the modus operandi about generation of cash and amount spent on getting the GST Refund. Initially I denied that any cash was generated or any amount was paid for receiving the GST Refund related to M/s OMIPL. However the officer was adamant that cash was generated and amount was spent for getting the Refund.

Then under great mental pressure and with the belief if I admit any payment then I may be exonerated and my search proceedings will be concluded soon.

I wrongly admitted that I took cash amounting to Re 10, crores from Zeal/Jason/Deler and the amount received for GST Refund was kept by the undersigned and no amount was shared with anyone thus in the process I received Re 10 crores additional Income which I wrongly disclosed/mentioned in the said statement.

Further during the search proceedings the tax was continuously pressurising me that you will be going to be in deep trouble, you being one of the shareholder of OMIPPL and being directors in M/s Tegma Electronics Private Limited and in M/s Kash Guru Financial Solutions Private Limited, so under illusion I as a defence mechanism decided to give a statement that I am not associated directly with the company. I wrongly stated that I am a dummy shareholder and dummy director.

once the search was concluded I, realise

the gravity of the situation and was not able to sleep for the rest of 2 days, then I decided that I should tell the truth to the department, whatever may be the consequences I have deliberated over the issue again and again and finally through this letter decided to retract part of my earlier statement as discussed in the above preceding para.

I want to make it clear that I had not received any cash from Zed/Jason/Delores or from any other person of OMIPL for getting the GST Refund, so there was no question of me having any additional Income to the tune of Rs 10 crore.

Further I wish to inform that I am not dummy director in M/s Regma Electronics Pvt Ltd and in M/s Keth Guro Financial Solutions Private Ltd and also not a dummy Shareholder in M/s OPB Mobiles India Private Limited (OMIS). However since I paid the entire Share Application Money to the company from my own Income so there is no possibility or any chance of me being a dummy Shareholder.

Further I state that I was a regular director attending the Board meetings and other meetings in my capacity as Director in both the companies, so there is no dummy directorship.

However the undersigned wants to make it clear that I confirm the remaining part of my statement recorded during the search operation on 24th/25th December, 2021 by the Income Tax authorities.

With folded hands, I request your goodness to take my retraction letter on record so that I can live peacefully in life and may also be able to avoid the unnecessary consequences of my false statement given on 24th/25th December;

Thanking you in anticipation.

Yours faithfully,



(SANJAY GOEL)
3rd January 2022

10. Further, the assessee claimed that he was under mental trauma and had signed on the dotted lines and do not understand what was recorded by the officials in his statements. The assessee also filed his medical reports in support of ill-health. It is further observed that except so-called admission of additional income in the statements which stood retracted later on, there was no material whatsoever found as a result of search indicating any unexplained investment in acquisition of jewellery nor any such jewellery was found from the possession of the assessee. Further, in the reply to Question No.51, the assessee admitted that the said income was utilized for making cash deposit into bank however, no such bank account having any cash deposits had been brought on record by the AO. The addition has been made without bringing on record any corroborative material or evidence and merely on the basis of so-called retracted statements AO alleged that assessee has received undisclosed income. The Hon'ble Delhi High Court in the case of PCIT vs Anand Kumar Jain (supra) has held as under:-

7. *“The preliminary question under consideration before us is whether a statement under Section 132(4) constitutes incriminating material for carrying out assessment under S. 153(A) of the Act. A reading of the impugned order reveals that the statement of Mr. Jindal recorded under Section 132(4) forms the foundation of the assessment carried out under Section 153A of the Act. That statement alone cannot justify the additions made by the AO. Even if we accept the argument of the Revenue that the failure to cross-examine the witness did not prejudice the assessee, yet, we discern from the record that apart from the statement of Mr. Jindal, Revenue has failed to produce any corroborative material to justify the additions. On the contrary we also note that during the course of the search, in the statement made by the assessee, he denied having known Mr. Jindal. Since there was insufficient material to support the additions, the ITAT deleted the same. This finding*

of fact, based on evidence calls for no interference, as we cannot re-appreciate evidence while exercising jurisdiction under section 260A of the Act.”

11. Ld. CIT(A) appreciated these facts and deleted the additions by making following observations in para 7 of its order:-

7. *“Ground no 1 to 8: This appeal pertains to the assessment order dated 14.02.2023, issued by the Assessing Officer (AO), DCIT, Central Circle-30, New Delhi, under section 143(3) of the Income Tax Act, 1961 (hereinafter "the Act"), for Assessment Year (A.Y.) 2021-22. The appellant, Sh. Sanjay Goel, contests the addition of Rs. 10,50,00,000 as unexplained income under section 69A, an addition predicated entirely on a statement recorded during a search operation conducted on 21.12.2021. The appellant has raised eleven grounds of appeal, substantiated by a prompt retraction of the statement, medical documentation evidencing distress during the search, and written submissions asserting the absence of independent corroborative evidence to support the AO's findings. Having meticulously evaluated the assessment order, the appellant's detailed arguments, and the applicable legal framework, I conclude that the AO's addition lacks both factual foundation and legal merit. Accordingly, the appeal is allowed in favor of the appellant for the comprehensive reasons elucidated below.*

7.1 *The crux of this appeal revolves around the AO's addition of Re. 10,50,00,000 under section 69A of the Act. premised solely on a statement recorded under section 132(4) during a search operation on 21.12.2021, wherein the appellant admitted to receiving Rs. 10.50 crores in cash as commission from Mr. Zed (Chedzen) linked to GST refunds for his former employer. M/s. Oppo Mobiles India Pvt. Ltd. (OMIPL). However, the appellant retracted this statement shortly thereafter via a detailed letter, articulating the severe emotional and physical distress he endured during the prolonged search, a claim bolstered by medical conditions which are discussed in order This retraction, filed promptly post-search, implores that the statement be disregarded due to its involuntary nature, a position reinforced by the absence of any tangible evidence such as seized cash. jewelry, or incriminating documents during the search or subsequent inquiries. The AO's order conspicuously lacks mention of any such recovery. relying exclusively on the retracted statement without substantiating it with independent material evidence, such as bank records, third-party*

testimonies, or financial trails linking the appellant to the alleged commission.

- 7.2 Under section 69A, the AO bears the initial burden of establishing that the assessee is in possession of unexplained money or assets, a threshold that must be met before shifting the onus to the assessee to explain its source. Here, the AO has failed to discharge this burden, as no physical or documentary evidence of the alleged Rs. 10.50 crores was unearthed. The appellant has consistently denied receiving any such commission after search and has offered plausible explanations for cash deposits in his and his family members' bank accounts attributing these to previously accumulated savings. The AO neither refuted these explanations with counter-evidence nor demonstrated a nexus between the appellant and the alleged cash transaction. Judicial precedents, such as *CIT v. S. Khader Khan Son* (2013) 352 ITR 480 (SC) and *PCI v. Anand Kumar Jain HUF* (Delhi HC. 12.02.2021), unequivocally hold that statements recorded during search operations lack standalone evidentiary weight absent corroboration, particularly when retracted promptly. Furthermore, CBDT Circular No. 286/2/2003-IT(Inv.) cautions against basing assessments on directive flouted by the AO in this case. The retracted statement, extracted confessions elicited during searches unless supported by credible evidence a under evident duress and contradicted by medical evidence, cannot sustain the addition under section 69A, rendering the AO's conclusion legally infirm.
- 7.3 This context, coupled with the swift retraction, lends credence to his assertion that the statement was coerced rather than voluntary. The AO's cursory dismissal of this evidence claiming the appellant was in good health flies in the face of the prevailing circumstances and reflects a failure to engage with the appellant's submissions in good faith.
- 7.4 The Hon'ble Delhi High Court on 12th February 2021 in case of *POIT vs Anand Kumar Jain HUF* ITA -21 to 27 of 2021 deleted the additions in income u/s 153A/153C which were based on the statements of a person recorded u/s 132(4) of the Act. A relevant extract of the judgement of the said pronouncement is as under:

"7. The preliminary question under consideration before us is whether a statement under Section 132(4) constitutes incriminating material for carrying out assessment under S. 153(A) of the Act. A reading of the impugned order reveals that the statement of Mr. Jindal

recorded under Section 132(4) forms the foundation of the assessment carried out under Section 153A of the Act. That statement alone cannot justify the additions made by the AO. Even if we accept the argument of the Revenue that the failure to cross-examine the witness did not prejudice the assesses, yet, we discern from the record that apart from the statement of Mr. Jindal, Revenue has failed to produce any corroborative material to justify the additions. Same findings are endorsed in the case of Harjeet Agrawal (Delhi HC). This omission Not only undermines the assessment's integrity but also highlights a procedural lapse that vitiates the AO's findings.

- 7.5. *Additionally, the AO's reliance on speculative assertions about unaccounted scraps in OMIPL's operations fails to implicate the appellant directly. While the record hints at possible irregularities within OMIPL, no evidence ties the appellant, an ex-employee, to these activities or to the alleged commission from Mr. Zed. The AO's attempt to extrapolate organizational discrepancies into personal liability lacks substantiation, as no documents, witness statements, or financial records establish the appellant's involvement. The appellant's explanations for his financial transactions-cash deposits and jewelry acquisitions-stand unrebutted, with the AO offering no material to challenge their veracity or to connect them to the alleged commission. This evidentiary vacuum further weakens the foundation of the addition.*
- 7.6 *The appellant submitted a comprehensive retraction letter, denying the commission, and medical evidence, alongside references to binding judicial precedents and CBDT guidelines. Yet, the assessment order sidesteps these submissions, offering no reasoned rebuttal or engagement with the cited authorities. This silence contravenes the requirement for a speaking order that transparently addresses the assessee's arguments, as mandated under the Act. The AO's failure to justify the addition beyond the retracted statement, while ignoring the appellant's cogent defenses, constitutes a denial of natural justice and renders the assessment unsustainable.*
- 7.7 *In view of the foregoing, the addition of Rs. 10,50,00,000 under section SPA is hereby deleted. The initiation of penalty proceedings (Ground no 9) under section 271AAC, being contingent on the now-nullified addition, is consequently quashed. The appeal in partly allowed.”*

12. It is a settled proposition of law that mere statement u/s 132(4) or u/s 131 is not sufficient to make an addition. A statement made must be relatable to incriminating material found during the search or the statement must be made relatable to some material by subsequent inquiry/investigations. Hon'ble Supreme Court in the case of ***Pullangode Rubber Produce Co. Ltd. vs State Of Kerala and Anr.*** reported in ***[1973] 91 ITR 18 (SC)*** has observed as under:

"It is no doubt true that entries in the account books of the assessee amount to an admission that the amount in question was laid out or expended for the cultivation, upkeep or maintenance of immature plants from which no agricultural income was derived during the previous year. An admission is an extremely important piece of evidence but it cannot be said that it is conclusive. It is open to the person who made the admission to show that it is incorrect."

13. The crux of the aforesaid decision is that a declaration or disclosure made by the person is binding unless it is rebutted by the person by furnishing valid evidences. In the present case, assessee admitted certain income in the statements recorded u/s 132(4) of the Act which was retracted at first opportunity within a period of less than 15 days of admission and reasons for such retraction were explained in the letter filed, as reproduced above, alongwith an affidavit which remained uncontroverted. It was further stated that no incriminating material was found/ seized evidencing any such income or application / utilization of such income as was admitted in the statements which further proves that these statements were recorded on dotted lines. Thus, the appellant retracted the statement recorded u/s 132(4) of the Act showing the admission made therein by him was incorrect.

14. The Hon'ble High Court of Rajasthan in the case of **Mantri Share Brokers Pvt. Ltd.** reported in **96 taxmann.com 279** held as under:

“Section 69B of the Income-tax Act, 1961- undisclosed investments (Burden of proof)- whether where except statement of director of assessee-company offering additional income during survey in his premises, there was no other material either in form of cash, bullion, jewellery or document or in any other form to conclude that statement made was supported by some documentary evidence, said sum could not be added in hands of assessee as undisclosed investments - Held, yes [Paras 10-11] 1In favour of assessee]. Para 10 & 11 of the order is as under:

10. Before proceeding with the matter, it will not be out of place to mention that except the statement in the letter, the AO has no other material on record to assess the income of Rs. 1,82,00,000/-.

11. It is settled proposition of law that merely on the statement that too also was taken in view of threat given in question No.36 as narrated by Mr. Gupta and the same sought to have been relied upon, there is no other material either in the form of cash, bullion, jewellery or document in any other form which can come to the conclusion that the statement made was supported by some documentary evidence. We have gone through the record and find that the CIT (A) has rightly observed as stated hereinabove, which was confirmed by the Tribunal.”

15. It would not be out of place to mention that this order of **Hon'ble Rajasthan High Court has been confirmed by Hon'ble Supreme Court also.**

16. Further, Hon'ble Delhi High Court in case of **Harjeev Agarwal** reported in **241 Taxman 199 (Del)** held as under:

"...A plain reading of Section 132 (4) of the Act indicates that the authorized officer is empowered to examine on oath any person who is found in possession or control of any books of accounts, documents, money, bullion, jewellery or any other valuable article or thing. The explanation to Section 132 (4), which was inserted by the Direct Tax Laws (Amendment) Act, 1987 w.e.f. 1st April, 1989, further clarifies that

a person may be examined not only in respect of the books of accounts or other documents found as a result of search but also in respect of all matters relevant for the purposes of any investigation connected with any proceeding under the Act. However, as stated earlier, a statement on oath can only be recorded of a person who is found in possession of books of accounts, documents, assets, etc. Plainly, the intention of the Parliament is to permit such examination only where the books of accounts, documents and assets possessed by a person are relevant for the purposes of the investigation being undertaken. Now, if the provisions of Section 132(4) of the Act are read in the context of Section 158BB (1) read with Section 1588 (b) of the Act, it is at once clear that a statement recorded under Section 132(4) of the Act can be used in evidence for making a block assessment only if the said statement is made in the context of other evidence or material discovered during the search. A statement of a person, which is not relatable to any incriminating document or material found during search and seizure operation cannot, by itself, trigger a block assessment. The undisclosed income of an Assessee has to be computed on the basis of evidence and material found during search. The statement recorded under Section 132(4) of the Act may also be used for making the assessment, but only to the extent it is relatable to the incriminating evidence/material unearthed or found during search. In other words, there must be a nexus between the statement recorded and the evidence/material found during search in order to for an assessment to be based on the statement recorded...."

17. Though the above principle is laid down in relation to assessment of block period u/s 158 BC of the Act, the same was also applied in respect of assessment u/s 153A, as has been held by Hon'ble Delhi High Court in case of **Best Infrastructure (84 Taxmann.com 287)** as under:

"38. Fifthly, statements recorded under Section 132 (4) of the Act of the Act do not by themselves constitute incriminating material as has been explained by this Court in Harjeev Aggarwal (supra)."

18. The Hon'ble Rajasthan High Court in the case of **PCIT vs Shri Sanjay Chhabra in Income Tax Appeal No. 22/2021** vide order dt. 06/04/2022 has held that addition solely based on statement later

on retracted, without anything more, could not be justified in law and thus had not admitted the appeal filed by the department. The relevant observations of the hon'ble court are as under:

“The argument advanced on the basis of the principle propounded by the Supreme Court in the case of Sumati Dayal (supra), does not apply to the facts of the present case at all. The Tribunal's findings are based on material placed on record. The aspect of human probability, in the present case, only goes against the Revenue because in the present case, a raid was conducted and in that process, statement is said to have been recorded under Section 132(4) of the I.T. Act, which was, later on, retracted by the Assessee. In a situation like this, where the office premises are sealed for many days and during that period, a statement is said to have been recorded under Section 132 (4) of the I.T. Act, the Tribunal's view that only the basis of such retracted statement, addition could not be justified without any other material admissible in evidence, warrants no interference as it is not a substantial question of law.

In the case of Commissioner of Income Tax Versus Harjeev Aggarwal reported in (2016) 290 CTR (Del) 263 and Kailashben Manharlal Chokshi Versus Commissioner of Income Tax reported in (2010) 328 ITR 411 (Guj) various High Courts have held that addition based solely on statement later on retracted, without anything more, could not be justified in law. Thus, the view taken by the Tribunal cannot be faulted.

In view of the above consideration, we are of the view that this appeal does not involve any substantial question of law and is, therefore, dismissed.”

19. The CBDT vide Instruction No. 286/2/2003-IT-Inv, dated 10.3.2003 gave directions to the field officers to collect the evidences during search and seizure and to avoid the practice of obtaining the surrender. As observed above, in the present case, no such incriminating evidence was collected by the search team during the course of search nor thereafter, before completing the assessment u/s 143(3) of the Act and the addition was made solely on the basis

of the alleged admission obtained from the assessee in the statements recorded u/s 132(4) of the Act.

20. One more important aspect is being adverted to for consideration is that even in the new provisions relating to assessments consequent to search, warrant existence of incriminating material to re-open assessments relating to certain assessment years. Vide the Finance Act, 2021, the Parliament has done away with the existing legal framework for assessment in case of search or requisition forming part of Chapter XIV of the Income Tax Act, 1961- Procedure for Assessment i.e. sections 153A to 153D of the Income Tax Act, 1961 in respect of search or requisition conducted on or after 1st April 2021. For the searches conducted u/s 132(1) of the Act on or after 1st April 2021, the assessments shall now be framed under section 147 read with section 148, 148A, 149,151 of the Income-tax Act, 1961 as substituted by the Finance Act, 2021. Under the new legal framework of search assessments u/s 147 of the Act, the assessments beyond 3 years can be reopened only when the Assessing Officer has in his possession books of accounts or other documents or evidence which reveal that the income chargeable to tax, represented in the form of an asset, which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more for that year. Hence, the Legislature in their wisdom has introduced new provisions to mean that for assessing or re-assessing any year beyond 3 years, consequent to search on or after 1st April, 2021, the requirement of incriminating material is

mandatory. In the instant case, the search was conducted on 21.12.2021 and the year under appeal before us is AY 2021-22 thus as per the new scheme, the assessment should have been completed after reopening the assessment u/s 148 of the Act and not u/s 143(3) as has been done in the present case.

21. After considering the overall facts that the assessee has retracted from the statements of admitting additional undisclosed income of INR 10.50 crores within the short period less than 15 days and further, no corroborative material/evidence was found as a result of search or brought on record to support the allegation that assessee has earned such undisclosed income which was stated to have been applied in acquisition of jewellery and cash deposited into bank. Thus, under these circumstances, we find no error in the order of Ld. CIT(A) in deleting the addition made by AO dehorse the incriminating material found as a result. Accordingly, the order of Ld. CIT(A) is hereby, upheld. All the grounds of appeal of the revenue are thus, dismissed.

22. In the result, appeal of the Revenue is dismissed.

Order pronounced in the open Court on 17.04.2026.

Sd/-

**(ANUBHAV SHARMA)
JUDICIAL MEMBER**

Date:- 17.04.2026

Amit Kumar, Sr.P.S

Sd/-

**(MANISH AGARWAL)
ACCOUNTANT MEMBER**

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