

ITAT deletes Additions for Unexplained Cash Credit as it was not based on Incriminating Material found during course of Search Operations

Fact of the Case

- In the present case, the assessee, Jasmin K. Ajmera raised a pertinent legal ground to submit that the impugned additions as made in the assessment order are not based on any incriminating material found during the course of search operations and this being non-abated year, the additions are not sustainable in law.
- The assessee refuted the allegations of Ld. AO, inter-alia, by submitting that except for the statement, there was no evidence in support of the allegation.
- No incriminating documents / evidence were found from the possession of the assessee during the course of search action. The sole reliance on the statement was contrary to specific directions of CBDT and there was no corroborative evidence to support the addition.
- The statement of the assessee was taken under coercion, pressure and undue influence and given under stress, Therefore, the statement was not a valid statement in the eyes of law.

Decision of the Case

- The coram of Judicial Member, C. N. Prasad and Accountant Member Manoj Kumar Aggarwal held that in the absence of any incriminating material, the additions could not be made in the hands of the assessee as per settled legal proposition.
- The Mumbai Bench of Income Tax Appellate Tribunal (ITAT) deleted the addition for Unexplained Cash Credit as it was not based on incriminating material found during the course of search operations.