The assessment order, the submissions of the Authorized Representative, the statements relied upon by the Assessing Officer, and the material available on record have been examined. The AO has made the addition on the basis of incriminating material seized during the course of search carried out in FY 2022-23 relevant to AY 2023-24, wherein, documents pertaining to AY 2022-23 & AY 2023-24 were seized from Montage Enterprises Pvt. Ltd. As per AO, the said documents show that cash was paid to the assessee company by Montage Enterprises Pvt. Ltd. The AO has further relied upon the statement of Sh. Manoj Kandpal, AGM Finance of MEPL. The present appeal relates to AY 20-21 whereas, examination of the assessment order of the appellant company for AY 21-22 and AY 2022-23 reveals that the AO has discussed statements of various other persons also which shall be discussed later in the body of the order.

Issue of Statement Recorded

The impugned addition has been made primarily on the basis of statement of Sh. Manoj Kandpal recorded during search proceedings and material seized pertaining to AY 2022-23 & AY 2023-24, without any corroborative incriminating material unearthed for the year under consideration. On careful consideration of the material available on record, it is observed that the Assessing Officer has primarily relied upon the statement of Sh. Manoj Kandpal recorded during the course of search proceedings to support the impugned addition. The statements of some other persons has been discussed by the AO in the assessment order of the assessee pertaining to AY 2021-22 & AY 2022-23 and the same shall be discussed underneath to bring all the facts on record. It needs to be emphasized that the appellant has also highlighted the statements of various other persons recorded during the search proceedings in its submissions from page no. 197 to page 203 which have not been highlighted by the AO. It shall be important to highlight the roles of various persons whose statements were recorded and which shall be discussed hereunder:

i. Ashok Kumar Chaturvedi (Chairman and Managing Director of U Flex Limited)

ii. Rajesh Bhatia (CFO of U Flex Limited)

iii. Vipin Agarwal (Taxation Head of U Flex Limited)

iv. Rajiv Jain (Personnel Manager of U Flex Limited)

v. Ajay Krishna (Employee of U Flex Limited)

vi. Arvind Gupta (Director of MEPL)

vii. Manoj Kandpal (Manager of MEPL)

viii. Harwinder Singh Matharu (Director of MEPL)

ix. Amit Jaiswal (Employee of MEPL)

The contentions of the appellant and the findings of the AO with respect to the statements of above persons shall be discussed in brief in the coming paragraphs. It needs to be highlighted here that for the year under appeal, the AO has relied only upon the statement of Sh. Manoj Kandpal, whereas, it is seen from the assessment order of the assessee for AY 2021-22 & AY 2022-23 that the AO has discussed some other statements as well. Similarly, the appellant has brought on record some statements which have not been discussed in the assessment order by the AO. It shall be in the interest of justice to bring on record in brief the relevant context of all statements as contended by the appellant and the AO which have been produced before this office.

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Statement of Shri Rajiv Jain (Personnel Manager)

It is noted that in his statement, particularly in response to Question No. 35, Shri Manoj Kandpal stated that the alleged cash amounts were handed over by him to Shri Rajiv Jain. The appellant has stated that on examination of the statements of Shri Rajiv Jain recorded from 21.02.2023 to 23.02.2023, it is observed that he denied having received any cash from Montage Enterprises Pvt. Ltd. (MEPL). Further, as per appellant, however, in his subsequent statement dated 24.02.2023, he stated that cash was received on various occasions and further claimed that such cash was passed on to Shri Vipin Agarwal and Shri Rajesh Bhatia. Finally, as per appellant, it appears from above that the statement of Sh. Rajiv Jain dated 24.02.2023 is at complete variance with the statements recorded from 21.02.2023 to 23.02.2023.

Statement of Sh. Ajay Krishna (Employee of U Flex Limited)

The AO has stated that as per Ajay Krishna, Sh. Rajiv Jain was responsible for receiving the cash and management of the same.

Statement of Sh. Ashok Kumar Chaturvedi (CMD)

It is further seen that the Director of the company Sh. Ashok Kumar Chaturvedi in his statement recorded on 27.02.2023 on being confronted with the statement of Sh. Rajiv Jain in response to question no. 219 stated that he did not know about the said transactions and Sh. Vipin Agarwal, Taxation Head and Sh. Rajesh Bhatia CFO of the U Flex Group can explain about the same.

Statements of Sh. Vipin Agarwal (Taxation Head) and Rajesh Bhatia (CFO)

It was pointed out by the appellant that Shri Rajesh Bhatia, in response to Question No. 13, has expressly denied any receipt of cash from Shri Rajiv Jain. Similarly, Shri Vipin Agarwal, in response to Question No. 14, has unequivocally denied any receipt of cash from Shri Rajiv Jain. Finally, as per AR, the statement of Sh. Rajiv Jain is in complete contradiction to the statements of Sh. Vipin Agarwal and Sh. Rajesh Bhatia.

Statement of Sh. Manoj Kandpal (Manager of MEPL)

As per AO, Shri Manoj Kandpal, in his statement, had stated that certain diaries were maintained in earlier years and that the same were subsequently destroyed, and that such practice was being followed for many years. On the other hand, the appellant stated that Shri Manoj Kandpal, in his last statement dated 25 August 2023, has stated that the term "Corp" refers to corporate business payments and not to the appellant, M/s U-Flex Ltd. As per AR, this clarification directly contradicts the inferences drawn by the Assessing Officer on the basis of the earlier statement.

Statements of Ah. Harvinder Singh Matharu and Amit Jaiswal (Employees of MEPL)

As per AO, Amit Jaiswal has described the business connection between MEPL and U Flex Limited. Further, as per AO, Harvinder Singh Matharu has stated that Sh. Manoj Kandpal was responsible for management of cash.

Affidavit of Arvind Gupta (Director of MEPL)

The appellant has also relied upon the affidavit of Shri Arvind Gupta, Director of M/s MEPL, wherein he has stated that Shri Manoj Kandpal was never authorized to make any cash payments on behalf of the company. In the said affidavit, Shri Arvind Gupta has further explained that, in certain unavoidable situations, marketing personnel, after late working hours, used to temporarily deposit cash collections with Shri Rajiv Jain purely for security reasons, and such cash was subsequently returned to Shri Arvind Gupta. As per appellant, the said affidavit of Sh. Arvind Gupta also submitted before the AO during the assessment proceedings in the case of MEPL, directly contradicts the statement of Sh. Manoj Kandpal. Further, as per AR, it is an admitted position that no incriminating material was unearthed during the search pertaining to the year under consideration to substantiate the allegation that any cash was received by the appellant.

Opportunity for cross examination

The appellant has stated that the cross-examination of Shri Manoj Kandpal was specifically requested during the assessment proceedings as well as during appellate proceedings. An email was sent to the AO vide this office email dated 23.10.2024 wherein, it was stated as under:

"During the course of appellate proceedings in the above-mentioned case, the AR has filed submissions. The copy of the same is attached for ready reference. It is directed to offer your comments on para 3.1 to para 5 of the submissions. It is further directed to give a factual report regarding the entities from whom replies u/s 133(6) were received during the assessment proceedings either on ITBA or in physical mode. Relevant evidence in the form of copy of ITBA screen or the receipt of 133(6) reply, if received, may be furnished along with. Hard copy of the 133(6) replies along with the mode in which they were submitted before the AO as claimed by the appellant are being handed over in physical mode being voluminous.

It has further been submitted by the appellant that opportunity of cross examination of Sh. Manoj Kandpal has not been provided to the appellant during the assessment proceedings with respect to the addition made regarding receipt of cash. An affidavit of Sh. Arvind Gupta denying having issued any instruction to Sh. Manoj Kandpal has also been filed (copy of the same is attached). To meet the end of justice, permission is granted u/s 250(4) to conduct enquiry with respect to the issue mentioned in this para. Needless to say, opportunity of hearing be granted to the assessee while conducting any enquiry.

It is directed to send your report ***on or before 15.11.2024*** *so that pending appeal can be disposed-off.*

As per appellant, no opportunity to cross examine Sh. Manoj Kandpal was afforded to the assessee, though a date was initially indicated but no fresh date was ever intimated.

From the reading of the above statements, it is clear that the AO has relied upon the statements of Sh. Manoj Kandpal (in assessment order for AY 2020-21 & AY 2021-22) and Sh. Rajiv Jain, Sh. Ajay Krishna & Sh. Amit Jaiswal (in the assessment order for AY 2021-22). The appellant has stated that there are many contradictions in the statements of Sh. Manoj Kandpal as highlighted above. Further, as per appellant, the statements of Sh. Ashok Chaturvedi, Vipin Agarwal, Rajesh Bhatia are contradictory to statements of Sh. Manoj Kandpal and Sh. Rajiv Jain. Further, as per appellant, the affidavit of Sh. Arvind Gupta totally rebuts and contradicts the statement of Sh. Manoj Kandpal. The maze of the above statements have been used both by the revenue as well as appellant to support their cases. However, to reach a fair conclusion viz the viz the issue under consideration what needs to be examined is the presence or absence of incriminating material pertaining to the year under consideration.

Absence of corroborative material

In the present case, no documentary evidence such as cash books, diaries, ledgers, seized documents, or corroborative financial trail for the year under consideration has been brought on record to substantiate the alleged cash receipts. It is a settled legal position that a standalone statement cannot be the sole basis for making an addition in the absence of any corroborative incriminating material moreso, when the statements are contradictory.

With regard to the annexures D-1 to D-39 relied upon by the Assessing Officer, it is observed that none of these documents pertain to the assessment year under consideration, either in the case of the appellant or in the case of MEPL. Therefore, drawing adverse inferences for the year under consideration based on alleged practices of other years, without any direct documentary linkage, is not sustainable in law.

Standalone Statements

On the issue of standalone statements, the **Hon'ble Supreme Court of India in the case of Commissioner of Income-tax vs. Mantri Share Brokers (P.) Ltd. reported at [2018] 96 taxmann.com 280 (SC)** has held as under:

> No section 69B addition in hands of assessee where except statement of director of assessee-company, offering additional income there was no other material either in form of cash, bullion, jewellery or document in any other form to justify said additional income: SLP dismissed

Further, the **Hon'ble High Court of Allahabad in the case of Commissioner of Income-tax vs. Dilbagh Rai Arora reported at [2019] 104 taxmann.com 371 (Allahabad)** has held as under:

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Section 69, read with section 143, of the Income-tax Act, 1961 - Unexplained investment (Search & seizure) - Assessment year 2006-07 - Whether where a person can explain exclusively with supportive evidence/material or otherwise that true state of affairs was different from that he presented in his statement of admission, tax liability should be fixed on basis of correct and true affairs as ascertained from material on record - Held, yes - During search operation, assessee, in his statement, surrendered Rs.18 crores on account of investment made in purchase of jewellery, precious stones and Rs. 6 crores as cash in hand duly shown in books of account - Rs. 7 crores were surrendered in stipulation that details of same would be given in due course of time - However, no incriminating materials or documents had been brought on record for said amount of Rs. 7 crores - No assets of Rs. 7 crores were found by authorities, nor such assets were identified or declared by assessee - Whether it could be inferred that no such assets actually existed - Held, yes - Whether Tribunal was right in holding that addition in respect of Rs. 7 crores was not based on any evidence - Held, yes [Paras 17 and 21] [In favour of assessee]

Further, the **judgment of Hon'ble High Court of Andhra Pradesh in the case of Commissioner of Income-tax-II, Hyderabad vs. Naresh Kumar Agarwal reported at [2015] 53 taxmann.com 306 (Andhra Pradesh)** has held as under:

> Where in absence of any incriminating material etc., found from premises of assessee during course of search, statement of assessee recorded under section 132(4) would not have any evidentiary value

Further, the judgment of **Hon'ble High Court of Madras in the case of Commissioner of Income-tax, Tiruchirappalli vs. Smt. S. Jayalakshmi Amma reported at [2016] 74 taxmann. com 35 Madras)** has held as under:

> Where addition of undisclosed income was made on basis of mere statement given by his son under section 132(4) which was not corroborated by any material evidence, neither such statement would be conclusive evidence, nor any addition could be made

Further, the **Hon'ble High Court of Gujarat in the case of Commissioner of Income-tax vs. Shardaben K. Modi reported at [2013] 35 taxmann.com 264 (Gujarat)** has held as under:

> In absence of any independent material, statement of assessee's son recorded during survey would not form a valid basis for reopening assessment of assessee

Further, the **Hon'ble High Court of Andhra Pradesh in the case of Commissioner of Income-tax-II, Hyderabad vs. Naresh Kumar Agarwal reported at [2015] 53 taxmann .com 306 (Andhra Pradesh)** has held as under:

> Where in absence of any incriminating material etc., found from premises of assessee during course of search, statement of assessee recorded under section 132(4) would not have any evidentiary value;

Further, the **Ld. ITAT Bench at Chandigarh in the case of Jagbir Singh Nehra reported at ITA No. 687/Chd/2023 in its order dated 11.06.2024** has held as under:

> 7. We have considered the issue and we have also considered case laws brought on record by the ld. Counsel of the Assessee. The ld. Counsel has brought on record an order passed by the Chandigarh Bench of the ITAT in the case of 'Dy. CIT vs. Partap Singh Rajendra Chamola & Co.' in IT (SS) A No. 22/Chd/2007 order dated 28.11.2008. In this order the Tribunal has held that no addition in block assessment can be solely made on the basis of statement recorded during the search. Such a statement cannot

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be treated as incriminating material found in the course of search. The ld. counsel has also brought on record case laws decided by the Hon'ble Supreme Court of India in the case of 'CIT vs. Mantri Share Brokers (P.) Ltd." [2018] 96 taxmann.com 280 (SC) dated 3.7.2018. In this case, the Hon'ble Supreme Court has held as under:

> *"....High Court in the impugned order held that 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 in any other form to justify said statement, addition made on the said income in hands of Assessee under section 69B was to be deleted - Whether SLP against said decision was dismissed -Held, yes".*

8. We have considered the findings of the ld. CIT(A) on this issue and we have also considered the written submissions and arguments made by the ld. Counsel of the Assessee during the proceedings before us and the orders of the Hon'ble Supreme court of India on this issue in the case of 'CIT Vs. Mantri Share Brokers (P.) Ltd., (supra) and the Chandigarh Bench of the ITAT in the case of 'Dy. CIT vs. Partap Singh Rajendra Chamola & Co.' In this case, the ITAT Chandigarh Bench has held "No addition in block assessment can be made solely on the basis of statements recorded during search. Such statements cannot be treated as incriminating material found in the course of search."

9. The ld. DR relied on the order of the CIT(A).

10. From the documents filed before us, it is clear that there is no specific incriminating document to prove the payment of Rs. 25,85,000/- over and above the cheque payment of Rs. 10,15,000/- by the Assessee for the purchase of the immovable property. In fact, there are some note pads which indicate where from the Assessee has got money for the purchase of this property but they cannot be treated as incriminating document to prove the cash payment for the purchase of this property. Though it is true that the Assessee in his statement recorded during the search has stated to have paid Rs. 36,00,000/- as total consideration for the purchase of this property but other than his statement the Department could not bring any incriminating document on record to substantiate its claim of cash payment of Rs. 25,85,000/-. As the Hon'ble Supreme Court in 'CIT Vs. Mantri Share Brokers (P.) Ltd.', (supra) has held that mere statement recorded during the search cannot be treated as incriminating document for the addition in a search case, therefore, the CIT(A) finding on this issue cannot be sustained. Accordingly, the Assessee's appeal on Ground Nos. 1 to 3 stand allowed."

Methodology of later years applied during the year under consideration for making addition (Extrapolation)

It is observed that the Assessing Officer has sought to justify the impugned addition by applying the methodology and conclusions drawn in subsequent assessment years to the year under consideration. Each assessment year is an independent and self-contained unit, and additions can be made only on the basis of material, evidence, and facts relatable to the relevant previous year. In the present case, no incriminating documentary material was unearthed during the search proceedings for the year under appeal, either in the hands of the appellant or in the hands of Montage Enterprises Private Limited. The Assessing Officer has attempted to extrapolate findings allegedly emerging in later years and has concluded that the same pattern or modus operandi prevailed during the year under consideration based only on the statements of Sh. Manoj Kandpal and Sh. Rajiv Jain. As already discussed above, the statements of other authorities of both MEPL and the assessee company namely Sh. AK Chaturvedi, Sh. Vipin Agarwal, Sh. Rajesh Bhatia and affidavit of Sh. Arvind Gupta contradicting the statements of Sh. Manoj Kandpal, Sh. Rajiv Jain, Sh. Ajay Krishna and Sh. Harvinder Singh Matharu with respect to cash exchange have not been discussed in the assessment order. It is also important to emphasize here that no documentary material has been brought on record to show continuity of such alleged activities for the relevant year. In the absence of any seized material or documentary evidence for the relevant year, the Assessing Officer could not have legally imported conclusions of later years to justify an addition for the present year.

On the issue of extrapolation of income based on evidence pertaining to other years, the **Hon'ble High Court of Delhi in the case of Principal Commissioner of Income Tax vs. Pilot Industries Ltd. reported at [2023] 146 taxmann.com 233 (Delhi),** wherein, it has been held as under:

> "Where assessment of assessee for relevant assessment years was completed under section 143(3), however, Assessing Officer framed assessments for relevant years under section 153A and made additions on account of gross profit suppressed by obtaining bogus purchase bills after rejecting account books, since there was no evidence found during search with respect to suppression of gross profit by obtaining bogus purchase bills by assessee and Assessing Officer had merely relied upon documents seized during course of search for other financial years 2010-11 and 2011-12, impugned assessment under section 153A was unjustified"

Further, the **Hon'ble High Court of Gujarat in the case of Principal Commissioner of Income-tax vs. Shri Pushkar Construction Co reported at [2023] 154 taxmann.com 22 (Gujarat)** has held as under:

> Whether since material in nature of seized documents was not reliable and it was not related to assessment year 2015-16 and nothing was there to show that on-money was received in respect of sale of units recognized to be sale of assessment year concerned, impugned addition was not justified - Held, yes [Para 6.1] [In favour of assessee]

Further, the **Hon'ble High Court of Gujarat in the case of Commissioner of Income-tax – II vs. Standard Tea Processing Co. Ltd. reported at [2013] 34 taxmann.com 31 (Gujarat)** has held as under:

> "Addition for undisclosed income on account of inflated purchase price can be made only for period to which document found during search is related and not for entire block period"

Further, in the judgment of **Ld. ITAT Ahmedabad Bench D in the case of Deputy Commissioner of Income-tax vs. Royal Marwar Tobacco Product (P.) Ltd. reported at [2009] 29 SOT 53 (Ahmedabad) (URO),** it has been held as under:

> "Assessee was a company manufacturing Gutkha - In assessment years 2000-01 to 2003-04 a search was conducted at premises of assessee - However,

nothing was found against assessee - Subsequently, a search was conducted in assessment year 2004-05 whereby incriminating materials were seized which indicated suppressed sales made by assessee - On basis of materials seized relating to assessment year 2004-05, Assessing Officer assumed suppressed sales for earlier assessment years also, and, therefore, estimated same on basis of consumption of electricity and made additions"

Further, the **Ld. ITAT HYDERABAD BENCH `A' in the case of Dr. S. Surendranath Reddy vs. Assistant Commissioner of Income-tax reported at [2000] 72 ITD 205 (HYD.)** has held as under:

> "Whether, therefore, where there is no material at all in relation to a particular previous year even though falling within block, no undisclosed income can be determined for that year - Held, yes"

Further, in the judgment of **Ld. ITAT Pune Bench in the case of HOTEL VRINDAVAN vs. ASSISTANT COMMISSIONER OF INCOME-TAX reported at [2000] 67 TTJ 139 (PUNE),** it has been held as under:

> "Where the addition had been made on the presumption that if the assessee was suppressing the sales and expenses for the subsequent years, he must have suppressed the sales and expenses for the earlier years also, such addition could not be confirmed as the same could not be said to be supported by cogent material and evidence."

Further, in the judgment of **Ld. ITAT Jaipur Bench in the case of ASSISTANT COMMISSIONER OF INCOME-TAX vs. M.M. SALES AGENCIES reported at [2006] 153 TAXMAN 13 (JP.) (MAG.),** it has been held as under:

> "Whether no sales can be estimated where no information at all had been obtained during course of search and no information is available on basis of seized record that assessee had indulged in out of books transaction for a part of year - Held, yes"

Further, in the judgment of **Ld. ITAT Kolkata Bench A in the case of Fort Projects (P.) Ltd. vs. Deputy Commissioner of Income-tax reported at [2013] 29 taxmann.com 84 (Kolkata - Trib.),** it has been held as under:

> "We find that Hon'ble Courts and Tribunals have time and again held that assessments cannot be framed merely on extrapolation theory i.e. discrepancies in respect of items must have existed in other years or other instances or projects unless a definite trend of malpractice is conclusively proved by substantial evidence on record."

Further, in the judgment of **Ld. ITAT Bangalore Bench in the case of ANJANEYA BRICK WORKS vs. ASSISTANT COMMISSIONER OF INCOME-TAX (INV.) reported at [2002] 74 TTJ 921 (BANG.),** it has been held as under:

> "Section 145 of the Income-tax Act, 1961 - Mere existence of evidence to support concealment of income for following assessment year cannot be made a basis judiciously to estimate the income for the current year or any other assessment year for that matter"

Further, the **ITAT KOLKATA BENCH 'B' in the case of Mani Square Ltd. vs. Assistant Commissioner of Income Tax, CC-3(2), Kolkata reported at [2020] 118 taxmann.com 452 (Kolkata - Trib.),** in which it has been held as under:-

> "Cash credits (Immovable properties) - Assessment years 2013-14 to 2017-18 - Whether theory of extrapolation cannot be applied on mere theoretical or hypothetical basis in absence of any incriminating and corroborative evidence or material brought on record by Assessing Officer to warrant same - Held, yes - Assessing Officer made additions under section 68 in case of assessee by extrapolating unaccounted sales across all units sold by assessee in its project on account of on-monies alleged to have been received against sale of flat and sale of car park to SB (HUF) - However, Assessing Officer had made independent enquiries from all flat purchasers in assessee's project and despite such enquiries, Assessing Officer did not find any statement/material or transaction which would in any manner suggest let alone prove that other flat purchasers had paid any part of consideration in cash/on-monies over and above declared sale consideration - Whether in absence of any such material Commissioner (Appeals) rightly deleted addition made on ground that extrapolation made by Assessing Officer was per se arbitrary and un-reasonable - Held, yes[Para 38] [In favour of assessee]"

The **Ld. ITAT Chandigarh Bench in the case of Gurdip Cycle Industries vs. Deputy Commissioner of Income-tax reported at [2024] 165 taxmann.com 299 (Chandigarh - Trib.)** has held as under:

> "Where statement of accountant of assessee was recorded on basis of WhatsApp chat wherein he admitted to suppression of sales in case of a party, however, AO extrapolated entire turnover of assessee and made addition with respect to under invoicing, since it was a case of sales made outside books of account, addition could be confirmed only on sales made outside books made to parties whose names figures were found in WhatsApp chat"

Further, the **Ld. ITAT Chandigarh Bench in the case of M/s Auto Vogue Private Limited Versus DCIT/ACIT (Central) -1, Chandigarh in ITA No. 405/CHANDI/ 2025** has held as under:

> Extrapolation of income - extrapolation of figures as found recorded in document found during survey action - Assessee was subjected to survey action u/s 133A wherein list of 35 employees was found from the cabin of cashier of the assessee-company - These employees were shown to have been paid salary of Rs. 2,54,115/- for the month of July, 2017 but HR Manager admitted that the list was list of bogus employees
>
> HELD THAT: Survey addition has to be made strictly in accordance with the incriminating material only. The document found during the survey is the very foundation of the impugned addition. Unless corroboration was done by AO to support the extrapolation, no presumption could be made that similar payment was made by the assessee during the rest of the months also.

Further, the **Ld. ITAT Mumbai in the case of Dy. CIT-17 (1), Mumbai Versus Late Ramesh Pannalal Ranawat Through Rahul Ramesh Ranawat (Legal Heir of Late Ramesh Pannalal Ranawat) And (Vice-Versa) in ITA No. 5688/Mum/2024 And CO No. 291/Mum/2024** has held as under:

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In absence of any incriminating material found during the survey, merely based on CCTV footage of a single day and extrapolating the alleged 106 sale transactions allegedly found in the CCTV footage to the other days of the year, the sales turnover could not have been estimated, as it has neither any rational or reasonable basis, hence, far removed from reality.

The Hon'ble courts as discussed above have consistently held the view that findings of subsequent years cannot be retro-applied to earlier years or vice versa unless supported by cogent material evidence unearthed during the course of search pertaining to those years. Moreover, even assuming that some material was found pertaining to later years, such material cannot automatically extrapolate to earlier years. In above circumstances, only in case, the statement is supported by the documentary evidences, the addition could have been logically made. In view of the above discussion and stated judicial pronouncements and in absence of incriminating documentary material pertaining to the year under consideration, the addition of ₹84 crores is deleted.

89. On careful consideration of the facts and on perusal of the order of ld. CIT(A), it is observed that ld. CIT(A) has held that no opportunity of cross examination was allowed to the assessee and except Shri Manoj Kandpal, none of the other employee of the assessee or MEPL had ever admitted receiving of any cash from MEPL. Further, the documents found and seized during the course of search at the business premises of MEPL conducted simultaneously, certain diaries were found and seized which were marked as Annexure D-1 to D-39. The said diaries contained entries pertaining to FY 2022-23 and it is an admitted fact that no entry was found noted in any of the diary relating to the year under appeal. The hon'ble Apex Court in the case of ***PCIT Vs. Abhisar Buildwell Pvt. Ltd.*** in ***Civil Appeal No. 6580 of 2021 dated 24.04.2023*** (reported in ***150 Taxmann.com 257 (SC) (2023)*** has laid down the scope of assessment u/s. 153A r.w.s 153C and held the pre-