

CASE SUMMARY

Assessee: Shanker N Uttamchandani
Court: Surat ITAT (Income Tax Appellate Tribunal)



SUMMARY

Dipen D Shah & Associates
CHARTERED ACCOUNTANTS

FACTS

During a search operation on Shanker N Uttamchandani, an image was discovered on his iPhone displaying a record of money lent and interest earned. In a separate raid involving another party, a phone was seized containing an image featuring the name "A" (presumed to be Shanker N Uttamchandani) alongside a picture of a cash transaction. Based solely on these two images, the Assessing Officer (AO) added an unrecorded loan and interest income to Shanker N Uttamchandani's taxable income.

ITAT's Decision

The Surat ITAT ruled in favor of Shanker N Uttamchandani and annulled the addition made by the AO. Here's the rationale behind the ITAT's decision:

Image Ambiguity:

The ITAT noted that neither the assessment order nor the images themselves clarified whether Shanker N Uttamchandani lent or received the money.

01

Source Uninvestigated:

The AO neglected to investigate the origin or source of the images.

02

Lack of Confrontation:

The AO failed to confront Shanker N Uttamchandani or the other party involved with the images. No statements were recorded from either side.

03



Missing Signature:

The images lacked signatures, and there was no proof that the handwriting belonged to Shanker N Uttamchandani.

Business Irrelevance:

Shanker N Uttamchandani's business nature wasn't related to money lending, casting doubt on the likelihood of the loan.



No Corroborative Evidence:

The ITAT stressed the absence of any evidence supporting the AO's claims. Citing a Supreme Court precedent, it stated that loose papers (like these images) hold no evidentiary value.



Thank you



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