IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'B': NEW DELHI

BEFORE SHRI YOGESH KUMAR U.S., JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER

ITA No.2379/Del/2023
(ASSESSMENT YEAR 2013-14)

ITA No.2330/Del/2023
(ASSESSMENT YEAR 2018-19)

Dy. CIT, Circle-4(2), Delhi.	Vs.	Crystal Crop Protection Limited, B-95, Wazirpur, Industrial Area Delhi, Delhi-110052. PAN-AABCJ3574E
(Appellant)		**(Respondent)**

C.O. No.159/Del/2023
Arising out of ITA No.2330/Del/2023
(ASSESSMENT YEAR 2018-19)

Crystal Crop Protection Limited, B-95, Wazirpur, Industrial Area Delhi, Delhi-110052. PAN-AABCJ3574E	Vs.	Dy. CIT, Circle-4(2), Delhi.
(Appellant)		**(Respondent)**

Assessee by	Shri S.S. Nagar, CA
Department by	Shri Rajesh Kumar Dhanesta, Sr. DR
Date of Hearing	30.10.2025
Date of Pronouncement	09.01.2026

O R D E R

PER MANISH AGARWAL, AM:

The captioned two appeals are filed by the revenue and Cross objection is filed by the assessee for following assessment years.

Sr. No.	ITA Nos.	Appeal By	Asstt. Year	CIT(A) order dated	Assessment Order dated	Assessment Order under section
1	2379/Del/2023	Revenue	2013-14	29.05.2023	27.12.2019	147A r.w.s. 143(3) of the Act
2.	2330/Del/2023	Revenue	2018-19	29.05.2023	20.04.2021	143(3) of the Act
3.	CO. No. 159/Del/2023	Assessee	2018-19	- do -	- do -	- do -

2. Since both the appeals and cross objection are related to the same assessee, therefore, they have been heard together and accordingly, adjudicated by a common order.

3. First, we take revenue's appeal in ITA NO. 2379/Del/2023 for AY 2013-14.

ITA No. 2379/Del/2023 (Revenue's Appeal) AY 2013-14

4. Brief facts of the case are that assessee has filed its return of income on 30.11.2013 declaring total income at Rs.69,44,03,870/-. The assessment was completed u/s 143(3) r.w.s. 144C of the Act on 28.12.2016 at a total income of Rs.70,68,75,056/- and thereafter, case of the assessee was reopened vide issue of notice u/s 148 of the Act on 26.03.2019 for the reason that assessee has claimed prior period expenditure of Rs. 2,37,83,559/- which remained unverified and being pertinent to earlier year should be disallowed. After considering the submissions of the assessee, AO made disallowance of the said expenditure and, accordingly total income of the assessee was assessed at Rs.72,66,34,480/-.

5. Against the said order, assessee filed an appeal before Ld. CIT(A) who vide order dated 29.05.2023 has partly allowed the appeal and disallowances made by AO was deleted.

6. Aggrieved by the said order, the Revenue is in appeal before the Tribunal on the strength of following grounds of appeal:-

1. *Whether the Ld. CIT(A) has erred on not appreciating the fact that the expense claimed by the assessee is in the nature of deduction eligible u/s 37(1) of the Income Tax Act, but to be claimed in the previous year in which it was incurred.*
2. *Whether the Ld. CIT(A) has erred on not appreciating the fact that the assessee is following mercantile system of accounting where the expense has to be claimed on accrual basis.*
3. *Whether the Ld. CIT(A) has erred in allowing the appeal without examining the actual discount given where no lifting of discount has been quantified by the assessee.*
4. *The appellant craves leave for reserving the right to amend, modify, alter, add or forego any ground(s) of appeal at any time before or during the hearing of this appeal."*

7. Heard both the parties and perused the materials available on record. The sole issue in dispute is with respect to the allowability of Prior Period Expenses of Rs.2,37,83,59/- claimed by the assessee in its P&L Account towards discount given to customers. Claim of the assessee was that it had started discount policy which was introduced in Financial Year 2011-12. Since the amount of discount was crystalized during the year under appeal, therefore, the discount paid/credited to the customers was claimed as expenditure in the P&L Account and was reported under the head "Prior Period Expenses" forming part of other expenses. The Ld. CIT(A) by observing that discount was allowed in terms of discount policy introduced in FY 2011-12 and all the necessary evidences in the shape of copies of the bills etc. issued to the distributors to whom the discount was given, deleted the disallowance. Ld.

CIT(A) observed that since the amount was crystalized in the year under appeal and no expenses was claimed on this account in any earlier year by the assessee. The relevant observations of Ld. CIT(A) as contained in para 5.4 to 5.9 are reproduced as under:

> *"5.4 The appellant had debited sum of Rs.2,37,83,559/- to its profit and loss account on account of discount policy which he had introduced in FY 2011-12. The appellant contested that as per policy there were certain discounts to be given to its customer for lifting specified quantity of products from it. However, the exact amount of discount was crystallized during the year under consideration and therefore it was debited as prior period item.*
>
> *5.5 In this regard the appellant submitted one pager document mentioning discounts permissible to its customer against the quantity of goods lifted by customer. It also submitted copies of invoices raised by appellant to its customer wherein lifting discount is mentioned at zero. The appellant allowed discount to its customer on specified products such as 'Corona Cryzol, Kamen Sure Rapid', etc.*
>
> *5.6 On perusal of the discount policy it is observed that it was addressed to distributers.*
>
> *5.7 As it is evident from the invoices that the appellant has placeholder for lifting discount which indicates that claim of appellant is not an afterthought. However, due to certain commercial reasons same was not quantified. This indicates bona fide intention of appellant.*
>
> *5.8 As the discount has been crystallized in the year under consideration, therefore, the same could not have been provided for the past years. Moreover, such expenses are merely timing difference and revenue neutral over the period of time. In this regard reliance is also placed on judicial pronouncement of Honourable Chandigarh ITAT in case of Kamla Retail Ltd. Vs ACIT [ITA No. 1023/Chd/2019]*
>
> *5.9 In view of the above I am of the considerate view that merely any expenditure which pertains to previous year cannot be disallowed only because the same is classified as prior period item. Crystallization of actual amount payable is more important because it quantifies the actual amount payable and in absence of quantification same cannot be*

recorded in books of accounts and therefore, the addition made by learned AO is deleted."

8. Before us, Revenue has failed to controvert the factual findings given by Ld. CIT(A) who relied upon the judgment of Co-ordinate Bench of ITAT, Chandigarh in the case of Kamla Retail Ltd. vs. Addl. CIT now known as M/s ETHOS Ltd. in ITA No. 1023/Chd./ 2019. It is settled law that the expenses crystallized and paid in the year should be allowed even if the same pertained to any preceding year and should not be disallowed merely because it was classified under the head "prior period expenses".

9. In view of the discussion, we find no error in the order of Ld. CIT(A) in deleting the disallowance made by the AO towards Discount given to the customers which order is hereby upheld. Accordingly, all the grounds of appeal of Revenue are dismissed.

10. The appeal of the Revenue is dismissed.

ITA No. 2330/Del/2023 (Revenue's Appeal) and C.O. No. 159/Del/2023
Assessment Year 2018-19

11. This appeal of the Revenue is barred by 20 days for which a prayer is made stating that AO was preoccupied in time barring cases and thus appeal could not filed within the time. After considering the facts, we are of the view that the AO has sufficient cause in filing the appeal delayed and, accordingly, delay is hereby condoned and appeal is admitted for adjudication.

12. Briefly stated the facts are that the assessee company is engaged in the business of income manufacturing of Pesticides, Insecticides. The return of income was filed on 30.11.2018 declaring total income at Rs.1,67,09,03,400/-. The case was selected for scrutiny, and the assessment order was passed u/s 143(3) by making addition of Rs.18,45,49,293/- and, accordingly, total income was assessed at Rs.1,85,54,52,622/-.

13. Aggrieved by the said order, assessee filed an appeal before the Ld. CIT(A). During the course of appellate proceedings before the Ld. CIT(A), assessee raised certain additional grounds of appeal wherein the Excise Duty Subsidy, GST subsidy and MEIS incentive as Capital receipts. After considering the submissions made by the assessee, Ld. CIT(A) has allowed the appeal of the assessee wherein additional grounds taken by the assessee are also allowed.

14. Aggrieved by the said order, Revenue is in appeal before the Tribunal by taking following grounds of appeal:

1. *Whether the Ld. CIT(A) has erred on facts and in law in deleting the addition amounting to Rs.65,94,723/- on account of re-allocation of indirect expenses u/s 801A.*

2. *Whether the Ld. CIT(A) has erred in not allowing the AO to examine the additional ground raised before him as per the provisions w/s 46A(3) of the IT Rules, 1962 amounting to Rs.4,10,15,623/- on account of excise duty and Rs. 4,14,18,912/- on account of GST subsidy.*

3. *Whether the Lo CIT(A) has erred in not allowing the AO to examine the additional ground raised before him as per the provisions u/s 46 A(3) of the IT Rules, 1962 amounting to Rs. 1,74 33,249/- Disallowance of revenue expenditure being Merchandise Exports from India Scheme (MEIS)*

4. *The appellant craves leave for reserving the right to amend modify, alter, add or forego any ground(s) of appeal at any time before or during the hearing of this appeal*

15. The assessee has also filed the Cross Objections which reads as under:

> *1.0 That on facts and circumstances of the case, the CIT-(A) has passed the order as per the provisions of the Act and hence the appeal filed by the department is not maintainable.*
>
> *2.0 That on the facts and circumstances of the case, the Ground No. 2,3, and 4 raised by the appellant are factually incorrect as the respondent has filed modification letter vide dated 20-02-2021 at the time of assessment proceedings.*
>
> *2.1 That on the facts and circumstances of the case, provision of the Rule-46A of Income Tax Rule 1962 is not applicable as all the evidences has been submitted before Ld. AO in the assessment proceedings.*
>
> *3.0 That the respondent craves, leave to add, amend, modify, rescind, supplement or alter any of the grounds stated here in above either before or at the time of hearing of the appeal."*

16. First, we take Revenue's appeal in ITA No. **2330/Del/2023** for Assessment Year 2018-19

17. Ground of appeal No.1 taken by the revenue is with respect to the deletion of addition U/s 80-IA of the Act amounting to Rs.65,94,723/- on account of re-allocation of indirect expenses for the purposes of allowability of deduction u/s 80IA of the Act done by the AO.

18. Heard both the parties and perused the materials available on record. The AO alleged that assessee is having a power generating units wherein the income earned has been claimed as deduction u/s 80-IA of the Act however, the assessee has not allocated indirect expenses to such power generating. The assessee claimed that no indirect expenses were incurred on power generating unit and, therefore, no indirect expenses were not allocated. He further submits that the expenses which are directly related to power generation unit have already been debited and verified by the

auditor and after obtaining the audit report, assessee has claimed deduction u/s 80IA of the Act. The Ld. CIT(A) has allowed the deduction u/s 80IA as claimed by the assessee by making following observations in para 5.7 to 5.9 of the order:

> *"5.7 The learned AO observed that the appellant while claiming 801A deduction has not allocated any indirect expenditure towards profitability from its two power generating units and thereby proceeded to allocate sum of indirect expenditure based on revenue generated by these two units. Accordingly, the learned AO carried out addition of Rs.65,94,723/- by reducing 801A deduction.*
>
> *5.8 In this regard the appellant submitted that it has not incurred any such indirect expenditure in relation to underlined power generating units and therefore it has not allocated the expenditure thereto. Appellant also submitted that it has got the books of accounts of these power generating units audited.*
>
> *5.9 The contentions of appellant are considered and found to be acceptable. The learned AO cannot compel to allocate certain expenses artificially to power generating units specially when the appellant has not incurred such expenses. The learned AO has also not provided any adverse finding on audited books of accounts of these power generating units. Therefore, the addition carried out for sum of Rs.65,94,723/- is arbitrary and liable to be deleted.*
>
> *5.10 Accordingly, Ground 5 of the appellant is allowed"*

19. After considering the facts of the case and observations made by the Ld. CIT(A) and further considering that the assessee is maintaining separate books of accounts for power generating unit and claimed deduction u/s 80-IA of the Act of the eligible amount which was duly verified and audited by the auditor and necessary audit report was filed before the AO. It is further seen that AO has not raised any doubts with respect to books of accounts so maintained and merely on assumptions and presumptions alleged that indirect expenses might have incurred on that unit and reduced the eligible amount of deduction u/s 80IA of the Act.

20. The Co-ordinate Bench of ITAT, Mumbai in the case of DCW Ltd. vs. Addl. CIT reported in [2010] 37 SOT 322 Mumbai has held as under:

> *"18.6 2nd reason for disallowance of deduction under section 80-1A is cation of indirect expenses. We noticed that for the purpose of deduction under section 80-1A only income derived from industrial undertaking that has to be reckoned in computation as such the income and expenditures which are not directly relatable to that industrial unit cannot but be ignored, in other words such income and expenditure need not to be considered. In view of this position the CIT(A) it not justified in allocation 25 per cent of such indirect expense which are not directly relatable to that industrial unit to eligible unit for the purpose of computation of income for deduction under section 10-1A of the Act. The order of CIT on the issue is set aside."*

21. Similar view is expressed by the Co-ordinate Bench of ITAT Jodhpur Bench in the case of ACIT Vs. P.I. Industries reported in [2012] 23 taxmann.com 301 (Jodhpur-Trib.).

22. In view of above discussions, we find no error in the order of Ld. CIT(A) in deleting the reduction made by the AO out of the total amount of deduction claimed u/s 80IA of the Act by the assessee. Accordingly, the order of Ld. CIT(A) is hereby uphold on this issue. The ground of appeal No.1 raised by the Revenue is dismissed.

23. Grounds of appeal No. 2 & 3 are with respect to various claims made by assessee by raising additional grounds of appeal wherein Ld. CIT(A) has held the Excise Duty and GST subsidy as capital receipts and further held the incentives received under Merchandise Exports from India Scheme (MEIS) as capital receipt.

24. Before us, Ld. Sr. DR submits that Ld. CIT(A) has admitted the claim of the assessee raised for the first time through additional grounds of appeal without confronting the same to the Assessing Officer. She further submits that this claim was not made before the AO nor before the ld. CIT(A) in original grounds of appeal and it was made for the first time by way of additional grounds of appeal during the appellate proceedings. Ld. Sr. DR submits that ld. CIT(A) has erred in allowing additional grounds of appeal without providing the AO an opportunity to rebut the same, it is therefore, requested that this issue be remanded back to the file of AO for consideration. For this, Ld. Sr. DR placed reliance on the judgment of the Co-ordinate Bench of ITAT Delhi in case of ***ITO vs. Bhai Manjit Singh*** in ***ITA No.1807/Del/2010*** dated 29.08.2012 wherein the Co-ordinate Bench has set aside the order of Ld. CIT(A) passed in the light of Rule-46A(3) of the IT Rules, 1962. He prayed accordingly.

25. On the other hand, the Ld. AR of the assessee vehemently supported the orders of the lower authorities and submits that the Ld. CIT(A) has power u/s 250(4) of the Act which are coterminous with the powers of the assessee and after considering the facts of the case and legal pronouncements has admitted the additional grounds of appeal and allowed the claim of the assessee. In this regard he placed reliance on the judgment of the ***Hon'ble Jurisdictional High Court*** in the case of ***Commissioner of Income Tax (International Taxation) vs. Hotchand Techchand Punjabi*** reported in ***[2024] 158 taxmann.com 244 (Delhi).*** Ld. AR further submits that this issue have already been decided in favour of the assessee by the Hon'ble Jurisdictional High court in assessee's own case in Appeal No.173/Del/2022 dated 25th July, 2022 wherein the Hon'ble Jurisdictional High Court has held the subsidy receipts are capital receipts. He prayed accordingly.

26. Heard both the parties and perused the materials available on record. It is an admitted fact that the claim regarding Excise Duty and GST subsidy as capital receipts and incentives from MEIS as capital receipts are taken for the first time by the assessee before Ld. CIT(A) by way of additional grounds of appeal. The revenue's sole argument is that Ld. CIT(A) has not followed the procedure laid down under Rule 46A(3) and had not confronted fresh claim made by the assessee before him to the AO. The Ld. CIT(A) has co-terminous powers as that of the Assessing Officer and he has used that power in admitting the documents filed by the assessee while deciding the issues in hand. The Hon'ble High Court in the case of assessee itself (supra) in para 14 has decided the issue whether GST and Excise subsidy are capital receipts or revenue receipts and can be taken through additional grounds of appeal. The relevant observations of the Hon'ble Court in para 14 are as under

> *"14. In opinion of this Court, no error was committed by the ITAT by permitting the assessee to raise the additional ground at the stage of the appeal because there is no dispute raised by the department to the fact that the said subsidy given by State of Jammu & Kashmir to the assessee is liable to be treated as a capital receipt in view of the judgment of Shri Balaji Alloys (supra)."*

27. The Hon'ble Delhi High Court in the case of ***CIT (International Taxation) vs. Hotchand Techchand Punjabi*** *(Supra)* has held that CIT(A) has co-terminus power, and, accordingly, is empowered to make necessary enquiries and called for evidences to decide the appeal. The relevant observations of the Hon'ble Court in para 17 of the order are reproduced as under:

> *"17. Being aggrieved, the appellant/revenue carried the matter in appeal to the Tribunal. The Tribunal dismissed the appeal preferred by the appellant/revenue on two grounds.*

17.1 Firstly, that the CIT(A) had exercised his powers under Section 250(4) of the Act which was co-equal to that of the AO. It also took note of the fact that notice was issued to the concerned branch of Canara Bank under Section 133(6) of the Act and it was only after information was received from Canara Bank and material evidence furnished by the respondent/assessee, that the addition was deleted. The relevant observations made in this behalf by the Tribunal being apposite are set forth hereafter:

> *"7. We have considered rival submissions and perused the materials on record. The basic grievance of the Revenue is, learned Commissioner (Appeals) should not have deleted the addition based on additional evidences furnished by the assessee without forwarding them to the Assessing Office for his examination and opinion. It is fairly well settled, powers of the first appellate authority is co-terminus with the Assessing Officer. On a reading of section 250 and 251 of the Act, it is very much clear that learned Commissioner (Appeals) while deciding an appeal can consider and decide any matter arising out of proceedings in which the order appealed against was passed, notwithstanding that such matter was not raised by the appellant. In fact, sub-section (4) of section 250 of the Act empowers the first appellate authority to make further inquiry as he thinks fit for disposing of the appeal. Even, sub-rule (4) of Rule 46A empowers the first appellate authority to call for and examine evidences and make necessary inquiry. Thus, as could be seen, the statutory provisions empower the first appellate authority make necessary inquiry and call for evidences to decide appeal.*
>
> *8. In the facts of the present appeal, undoubtedly, learned Commissioner (Appeals) exercising statutory power vested with him has called for and examined necessary evidences for deciding the issue. Such exercise of power by learned first appellate authority assumes importance in the present case considering the fact that the assessee did not get a fair opportunity to represent his case before the Assessing Officer. On a careful reading of the impugned order of learned Commissioner (Appeals) it is very much clear that considering the fact that the assessee did not get a fair opportunity to represent his case before the Assessing Officer, learned Commissioner (Appeals) took the responsibility upon himself to inquire into the matter and in the process has called for necessary evidences, not only from the assessee, but from the concerned bank through the assessee. After examining the evidences, learned Commissioner (Appeals) has factually found that the actual quantum of time deposits in Canara Bank was to the tune of Rs.9,50,00,000/- . He has further found that even Rs.9,50,00,000/- deposited in*

Canara Bank was out of overseas remittances from the income earned by the assessee as a resident in USA for past so many years. No contrary material has been brought on record by the Revenue to disturb the aforesaid factual findings of learned Commissioner (Appeals). Therefore, if, upon examining the material on record learned Commissioner (Appeals) has recorded a factual finding, without pointing out any deficiency or discrepancy in such finding, the decision of learned Commissioner (Appeals) cannot be reversed merely on the allegation of violation of Rule 46A."

28. The hon'ble Delhi High Court in the case of ***International Tractors Ltd. vs. DCIT (LTU)*** reported in ***[2021] 127 taxmann.com 822 (Delhi)*** has observed as under:

"15. In our view, unless the Tribunal would have reached to a conclusion and expressed its clear view, in that respect, as to what was wrong or missing in the examination made by the CIT(A), a remand was not called for. We agree with Mr. Seth's contention that the CIT(A) in the exercise of its powers under section 250(4) of the Act was entitled to seek production of documents and/or material to satisfy himself as to whether or not the deductions claimed were sustainable/viable in law. This was, however, a case where the details were placed before the AO, who declined to entertain the claims only on the ground that they did not form part of assessee's original return and that the assessee had not made a course correction by filing a revised return.

15.1 This view was based, as noticed above, on the judgment of the Supreme Court rendered in Goetze (India) Ltd. (supra). The CIT(A), squarely, dealt with this and concluded, that a fresh claim could be entertained. Therefore, the Tribunal, as noticed above, has accepted this view of the CIT(A) and the revenue has not come up in appeal before us assailing this conclusion of the Tribunal.

16. In any event, we are of the view that, if a claim is otherwise sustainable in law, then the appellate authorities are empowered to entertain the same. This view finds reflection in a judgment of the coordinate bench of this Court in titled CIT v. Aspentech India (P.) Ltd. [IT Appeal No. 1233 of 2011, dated 28-11-2011). The relevant observations made by the coordinate bench of this court, which are apposite, are extracted hereafter:

"5. The ITAT has agreed the reasoning given by the CIT (Appeals) and has relied upon the decision of this Court in CIT v. Jai Parabolic Springs Ltd. (2008) 306 ITR 42 (Del.). In the said case Delhi High Court has referred to the powers of the appellate forum and the

decisions of the Supreme Court in National Thermal Power Co. Ltd. v. Commissioner of Income-tax (1998) 229 ITR 383 (SC), Gedore Tools Pvt. Ltd. v. Commissioner of Income-tax (1999) 238 ITR 268, Jute Corporation of India Ltd. v. Commissioner of Income-tax (1991) 187 ITR 688 (SC) and held that the appellate forum could have entertained and decided the sald aspect. The decision in the case of Goetze (India) Ltd. (supra) is distinguishable. In the said case the assessee had filed the return of income for the Assessment Year 1995-96 on 30-11-1995. Thereafter, on 12-1-1998, the assessee wrote a letter to the Assessing Officer and made a new claim for a deduction, which was rejected by the Assessing Officer as there is no provision to amend the return. The Supreme Court further clarified that the issue raised in Goetze (India) Ltd. (supra) was limited to the power of assessing authority and did not impinge on the power of the tribunal as was in the case of National Thermal Power Ltd. (supra). In the present case also the appellate forum had entertained the claim made by the respondent-assessee and allowed the same. There is no dispute that the claim/deduction towards the expense is otherwise correct and allowable."

Conclusion:

17. Therefore, in our view, the judgment of the Tribunal deserves to be set aside. The fresh claims made by the assessee, as allowed by the CIT(A), will have to be sustained. It is ordered accordingly.

18. The questions of law are answered in the favour of the assessee and against the revenue."

29. Thus, by respectfully following the judgments of the Hon'ble Jurisdictional High Court as stated above, we find no error in the order of Ld. CIT(A) in allowing the claim made by the assessee through additional grounds of appeal. We order accordingly.

30. Now coming to the merits of the issues, we find that the assessee has claimed the subsidy under new industrial policy in the state of Jammu & Kashmir where the assessee received Excise Duty subsidy of Rs.4,10,15,623/- and GST subsidy to Rs.4,14,18,912/- as capital receipts. These subsidies were granted with the object of

generating employment and development of industries in the State of Jammu & Kashmir. The Ld. CIT(A) by following the order of the Co-ordinate Bench in assessee's own case for Asst. Year 2011-12 in ITA No.1539/Del/2016 which order was uphold by the Hon'ble Jurisdictional High Court, held these subsidies as the capital receipt.

31. Further the assessee has availed export incentive being Merchandise Exports from India Scheme (MEIS) of Rs.1,74,33,249/- as a reward. Since, this reward was based on Foreign Trade Policy 2015 with the object to promote manufacturing and export of notified goods from India. Since, the products manufactured by assessee are fallen under that category, therefore, it satisfied the conditions for availing the incentives. It is seen that Ld. CIT(A) has placed reliance on various judgments which are as under:

- *Ponni Sugars & Chemicals Ltd. (2008) 306 ITR 392*
- *Shree Balaji Alloy & Others v. CIT (2011) 333*
- *PCIT -vs.- M/s Nitin Spinners Limited (116 taxmann.com 26)*
- *Bharat Rasayan Ltd vs ACIT (ITA No. 1231/Del/2019 vide order da 02.02.2021)*

32. Before us, the Ld. Sr. DR failed to controvert the findings given by the Ld. CIT(A) and did not bring on record any contrary materials to hold that such reward is capital receipts. Accordingly, we find no error in the order of Ld. CIT(A) which is hereby uphold. Accordingly, grounds of appeal No. 2 & 3 of the Revenue are dismissed.

33. Since, we have already dismissed the appeal of the Revenue, therefore, the Cross Objections taken by the assessee are become academic in nature and not adjudicated.

34. In the final result, the both appeals filed by the Revenue are dismissed and the Cross objection filed by the assessee is also dismissed.

Order pronounced in the open Court on 09.01.2026.

Sd/-	Sd/-
(YOGESH KUMAR U.S.)	**(MANISH AGARWAL)**
JUDICIAL MEMBER	**ACCOUNTANT MEMBER**

Dated: 09.01.2026
PK/Sr. Ps
Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI