

**IN THE INCOME TAX APPELLATE TRIBUNAL, 'A' BENCH
MUMBAI**

**BEFORE: SHRI AMIT SHUKLA, JUDICIAL MEMBER
&
SHRI MAKARAND VASANT MAHADEOKAR,
ACCOUNTANT MEMBER**

**ITA No. 2173/MUM/2025
(Assessment Year: 2020-21)**

DCIT, Central Circle- 8(1), Mumbai	Vs.	Mrs. Sunetra Ajit Pawar (Legal Heir of Late Shri Ajit Anantrao Pawar) Ground Floor, Datta Bhavan, Gokhale Road, Vijay Manjrekar Lane, Mumbai 400028.
PAN/GIR No. AFQPP6385J		
(Appellant)	..	(Respondent)

Assessee by	Shri Rakesh Joshi
Revenue by	Shri Rajesh Kumar Yadav (CIT-DR)
Date of Hearing	29/01/2026
Date of Pronouncement	20/04/2026

आदेश / O R D E R

PER AMIT SHUKLA (J.M):

This appeal has been preferred by the Revenue against the order dated 30.01.2025 passed by the Ld. Commissioner of Income Tax (Appeals) for the assessment year 2020-21, whereby the Ld. CIT(A) has quashed the assessment framed under section

143(3) read with section 153C of the Income Tax Act, 1961. The Revenue, being aggrieved by the said action of the first appellate authority, has challenged the impugned order on the ground that the Ld. CIT(A) was not justified in annulling the notice issued under section 153C and the consequential assessment order, and that he erred in holding that the Assessing Officer did not possess such document or material as was required to establish that it had a bearing on the determination of total income of the assessee for the year under consideration. The Revenue has also specifically assailed the finding of the Ld. CIT(A) in not accepting the Department's case that the person denoted by the code name "DD" in the notings appearing in the handwritten diaries and notebooks seized from the residence of Shri Jiten Pujari was none other than the present assessee, and in not appreciating the digital material allegedly found from the mobile phone of Shri Ratankant Sharma, including the contact saved as "DD Personal" and the mobile numbers 9112299971 and 9850051222, which according to the Department were attributable to the assessee. The Revenue has further challenged the conclusion of the Ld. CIT(A) that the alleged cash transactions of ₹32,14,50,000 recorded in the seized diaries and digital examination of mobile phones of Shri Jiten Pujari and Shri Ratankant Sharma could not be treated as unexplained investment of the assessee.

2. The Revenue has thus raised the following grounds of appeal:

"1. Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in quashing the notice issued u/s 153C of the

Act, the assessment order passed u/s 143(3) r.w.s. 153C of the Act without going into the merits of the additions made in the case;

2. Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in holding that the Assessing Officer did not have any documents/material which was required to establish that had a bearing on the determination of the total income of the assessee for the instant assessment year;

3. Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in not appreciating that the person denoted by the codename 'DD' in the notings appearing in the diaries/notebooks seized from the residence of Shri Jiten Pujari was the assessee;

4. Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in not appreciating that the person using the number 9112299971, saved as 'DD Personal' in the iPhone 11 ProMax of Shri Ratankant Sharma was the assessee;

5. Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in not appreciating that the person using the number 9850051222 to whom SMS had been sent by Shri Ratankant Sharma was the assessee;

6. Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in not appreciating that cash transactions to the tune of Rs.32,14,50,000 found recorded in the handwritten diaries/notebooks seized from the residence of Shri Jiten Pujari and unearthed on forensic examination of the mobile phones of Shri Jiten Pujari and Shri Ratankant Sharma was the unexplained investment of the assessee;

7. The appellant craves leave to add to, alter, amend, modify and/or delete any or all of the above grounds."

3. On receipt of Form No. 36, the assessee had also filed an application under Rule 27 of the Appellate Tribunal Rules to support the order of the Ld. CIT(A) on additional legal grounds.

The grounds so raised under Rule 27 were to the effect that the Ld. Assessing Officer as well as the Ld. CIT(A) erred in holding that the satisfaction as contemplated under section 153C had been duly recorded by both the Assessing Officer of the searched person as well as the Assessing Officer of the assessee, and further that the proceedings initiated under section 153C were not in compliance with the Search and Seizure Manual issued by the CBDT. However, during the course of hearing, the Ld. Authorised Representative submitted that the assessee had unfortunately expired in a plane crash on 28.01.2026 and, vide letter dated 03.02.2026, death certificate was placed on record with a request that his wife, Mrs. Sunetra Ajit Pawar, be brought on record as legal heir. It was also fairly stated that the grounds raised under Rule 27 were not being pressed. Accordingly, the legal heir was taken on record and the Rule 27 grounds were treated as not pressed.

4. We have heard the rival submissions of both the parties at considerable length, perused the orders of the lower authorities, and carefully examined the material placed before us. The Ld. CIT-DR, assailing the order of the Ld. CIT(A) in toto, submitted that the first appellate authority has committed a serious error in quashing the proceedings under section 153C and the assessment framed thereunder without examining the merits of the additions. According to him, once the appeal had been admitted and argued on all aspects, the Ld. CIT(A) ought to have adjudicated the additions made under sections 69, 69A or 69C, instead of

restricting the decision only to the jurisdictional issue. It was submitted that such an approach has left unexamined the substantive material collected by the Assessing Officer and has resulted in miscarriage of justice.

5. The Ld. CIT-DR then took us through the factual background and submitted that the assessee had filed his original return of income for A.Y. 2020-21 declaring total income of ₹54,94,351, which was processed under section 143(1). Thereafter, a search and seizure operation under section 132 was carried out on 13.07.2020 in the case of Triton Group. During the course of such search, several incriminating documents in the form of handwritten notebooks and diaries were seized from the residence of Shri Jiten Pujari, who was associated with the Triton Group. These seized materials were inventorised as Annexures A-38 to A-47 in the Panchnama. According to the Department, on verification of the seized material along with digital evidence obtained from the mobile phone of Shri Ratankant Sharma and other forensic examination of electronic devices, it was found that the entries contained therein pertained to the present assessee and had a direct bearing on determination of his income.

6. The Revenue's case, as projected before us, is that the Assessing Officer had duly complied with the jurisdictional requirement of recording satisfaction before initiating proceedings under section 153C. Such satisfaction, according to the Department, was founded upon a detailed analysis of the seized

notebooks, diaries, WhatsApp chats, SMS communications, digital ledgers, images, and contact details extracted from the mobile phone of Shri Ratankant Sharma. The repeated reference to the code “DD” in the handwritten diaries and the digital records was, according to the Assessing Officer, not an innocuous or floating notation, but a distinct and consistent identifier of a specific individual, namely the assessee. It was urged that the expression “DD” appeared across multiple sources, namely diaries, ledgers, digital communications, and phone contacts, thereby establishing a continuity of identity and transaction.

7. It was next submitted by the Revenue that the identity of “DD” was reasonably and sufficiently linked to the assessee through several corroborative circumstances. The mobile number 9112299971, stored in the phone of Shri Ratankant Sharma as “DD Personal”, was identified in the Truecaller database as “Ajit Pawar Baramati”. Further, certain WhatsApp chats contained references to “Dada”, which, according to the Department, is a name commonly associated with the assessee in his political and social circles. It was contended that the digital ledgers and the handwritten diaries contained matching entries and corresponding transaction figures, and when all these pieces are read together, they form a coherent evidentiary mosaic pointing unmistakably towards the assessee. The Revenue thus submitted that the Ld. CIT(A) erred in isolating each circumstance instead of appreciating the cumulative evidentiary effect.

8. The Ld. CIT-DR further relied upon the statements recorded from persons connected with Triton Group, including Shri Jiten Pujari, Shri Ratankant Sharma, and Shri Shivshankar Sharma. According to him, even if some of these statements were guarded or evasive, none of them conclusively demolished the Department's inference. It was submitted that Shri Jiten Pujari himself acknowledged that "DD" was a distinctive code used in the diaries for recording transactions involving large sums of money, and the absence of an explicit admission that it referred to the assessee would not be decisive against the Department, particularly when circumstantial evidence overwhelmingly pointed in that direction. It was urged that direct evidence is not always possible in matters of clandestine cash transactions, and therefore, the surrounding circumstances and human conduct assume importance.

9. In support of the above proposition, the Revenue relied upon the decision of the Hon'ble Delhi High Court in Shiv Prakash Bansal v. DCIT, to contend that proceedings under section 153C can be validly initiated where incriminating material discovered during the course of search pertains to a non-searched person and bears upon the determination of his income. According to the Revenue, the statute does not require mathematical precision or direct documentary title in the name of such other person; it is sufficient if the seized material relates to him. The Ld. CIT-DR also invoked the principles laid down by the Hon'ble Supreme Court in CIT v. Durga Prasad More and Sumati Dayal v. CIT on the

doctrine of human probabilities, submitting that the Tribunal ought not to wear blinkers and reject reasonable inferences arising from a cumulative reading of facts and circumstances.

10. The Revenue also placed emphasis upon the evidentiary significance of electronic communications and digital evidence. It was argued that in the present era, financial transactions and their trail often emerge from mobile communications, saved contacts, SMS exchanges, WhatsApp conversations, digital ledgers, and forensic extraction of phone data, and the law cannot remain oblivious to such realities. The Assessing Officer, according to the Department, had rightly correlated the seized documents with the mobile communications and had found that another mobile number, namely 9850051222, was also involved in communications connected with the same chain of transactions. The Revenue thus submitted that the Ld. CIT(A) committed a grave error in brushing aside such material as insufficient. In fine, the prayer of the Revenue was that the order of the Ld. CIT(A) be set aside, the proceedings under section 153C be upheld, and the addition of ₹32,14,50,000 on account of unexplained cash transactions be restored.

11. In response thereto, the Ld. Counsel for the assessee strongly supported the order of the Ld. CIT(A) and also filed written submissions. The sum and substance of the assessee's contention is that the very foundation for initiation of proceedings under section 153C was absent in the present case. It was argued that

section 153C mandates that the Assessing Officer must be satisfied that any money, bullion, jewellery, valuable article, books of account, or documents seized during the course of search either belong to or relate to a person other than the searched person, and further that the same have a bearing on the determination of total income of such other person. According to the assessee, neither of these conditions stood satisfied here.

12. The Ld. Counsel submitted that the documents seized during the search were loose diaries and notebooks found from the residence and possession of Shri Jiten Pujari. The assessee was neither the author of those documents nor their custodian, and admittedly his name did not appear anywhere therein. The entire action of the Assessing Officer rested only on the surmise that the abbreviation "DD" used in the diaries referred to the assessee. It was urged that such assumption is wholly speculative and legally impermissible, for the statute requires demonstrable and discernible nexus, not inferential guesswork. It was further submitted that the seized documents, being personal records maintained by a third person and recovered from his possession, cannot by themselves be treated as evidence against the assessee in the absence of clear identification and independent corroboration.

13. The assessee also relied upon several judicial precedents to submit that loose sheets, scribblings, private diaries, and uncorroborated electronic data do not constitute reliable evidence,

especially against a third party. Strong reliance was placed on the judgment of the Hon'ble Supreme Court in *Common Cause v. Union of India* reported in 394 ITR 220, wherein it was held that loose sheets of paper and electronic data not maintained as regular books of account do not by themselves constitute reliable material for drawing adverse conclusions. Reliance was also placed on the decision of the Hon'ble Karnataka High Court in *DCIT v. Sunil Kumar Sharma* reported in 469 ITR 197, wherein it was held that loose sheets lacking corroborative support cannot form the sole basis of addition, more so when the Revenue's Special Leave Petition against the said decision was dismissed by the Hon'ble Supreme Court. Reliance was also placed on the decision of the Hon'ble Delhi High Court in *Saksham Commodities Ltd.*, for the proposition that satisfaction under section 153C must be founded on a clear and demonstrable nexus between the seized material and the income of the assessee for the relevant year, and cannot rest on vague assumptions or speculative inference.

14. The assessee further contended that even on facts, the Assessing Officer's interpretation of "DD" stood contradicted by the statement of Shri Jiten Pujari himself recorded under section 132(4). In his statement, Shri Jiten Pujari had explained that "DD" was only a distinctive code used in the diaries for recording high value transactions and that such code was used as per instructions from Shri Shiv Shankar Sharma. This explanation, according to the assessee, demolished the Assessing Officer's assumption that "DD" referred to the present assessee. It was

submitted that once the very author of the diaries did not identify “DD” as the assessee, the Department could not, on the basis of surmises, proceed to assign that identity to him merely because he is a public figure.

15. The Ld. Counsel also criticized the manner in which the Assessing Officer attempted to connect the assessee with the alleged transactions through a contact stored as “DD Personal” and through information obtained from the Truecaller application. It was argued that a publicly editable and crowd-sourced application cannot constitute legally admissible or reliable evidence in a quasi judicial proceeding, especially where the seized material itself does not contain the assessee’s name or any identifying detail. It was also pointed out that Shri Ratankant Sharma, when examined, acknowledged knowing the assessee but categorically denied having any business relationship with him. Thus, instead of corroborating the Department’s case, the oral evidence actually weakened it.

16. Another plank of the assessee’s argument was founded upon the statutory presumptions under sections 132(4A) and 292C. According to the assessee, such presumptions are available only against the person from whose possession the documents are found, namely Shri Jiten Pujari, and cannot automatically be extended to a third party like the assessee. The law, according to the assessee, does not require a person to prove a negative fact, namely, to disprove connection with a document which neither

names him nor belongs to him. In the absence of independent evidence, the presumption cannot be imported into the assessee's case so as to fasten tax liability upon him.

17. It was therefore submitted that the entire proceedings under section 153C were void ab initio for want of satisfaction of the mandatory jurisdictional condition. The entire edifice of the assessment, according to the assessee, rests not on concrete evidence but on conjecture, speculative reading of abbreviations, and extraneous digital assumptions. The assessee thus prayed that the order of the Ld. CIT(A), which had correctly appreciated both the law and facts, be upheld and the Revenue's appeal be dismissed.

18. We have given our thoughtful consideration to the rival submissions and to the entire conspectus of facts emerging from the record. The brief facts, shorn of nothing material and stated in a manner necessary for proper adjudication, are that the assessee, an individual, had originally filed his return of income on 31.12.2020 declaring total income of ₹54,94,351, which return was processed under section 143(1) of the Act. Thereafter, a search and seizure action under section 132 was conducted on 13.07.2020 in the case of Triton Group. During the course of the search, certain notebooks and diaries were seized from the residence of Shri Jiten Pujari, who was stated to be an employee or person associated with the Triton Group. These seized documents allegedly contained entries pertaining to the financial

year 2019-20, recording receipt of cash from a person denoted only by the initials “DD”, and the aggregate amount reflected against such entries was ₹32,14,50,000.

19. Based upon these entries and certain digital data retrieved from the mobile phones of persons associated with Triton Group, the Assessing Officer inferred that the initials “DD” referred to the present assessee, Shri Ajit Anantrao Pawar. On that premise, satisfaction was recorded that the seized material related to the assessee and had a bearing on the determination of his total income, whereupon notice under section 153C came to be issued on 26.09.2022. In the assessment framed pursuant thereto under section 143(3) read with section 153C, the Assessing Officer treated the aforesaid amount of ₹32,14,50,000 as unexplained investment/cash transaction in the hands of the assessee.

20. Before the Ld. CIT(A), the assessee challenged both the initiation of proceedings under section 153C as well as the addition made on merits. It was contended that the seized documents were not found from the possession or control of the assessee, that his name did not appear anywhere in the seized diaries or notebooks, and that the mere use of the initials “DD” could not legally or factually justify attribution to him. It was specifically argued that Shri Jiten Pujari, from whose possession the diaries had been seized, had himself stated during search proceedings that “DD” was only a code used for recording high value transactions and that such entries were made on the instructions of another person in the Triton Group. It was thus

contended that the conditions necessary for invoking section 153C were absent since the seized material neither belonged to nor demonstrably related to the assessee.

21. The Ld. CIT(A), after carefully examining the assessment order, the satisfaction note, the seized material relied upon by the Department, and the detailed submissions of the assessee, came to the conclusion that the proceedings initiated under section 153C were not legally sustainable. The first appellate authority undertook a fairly detailed scrutiny of the evidentiary value of the seized material as also the jurisdictional conditions required under the statute. He noted that the entire case of the Assessing Officer was founded on entries recorded in notebooks and diaries seized not from the assessee but from the residence of Shri Jiten Pujari, and that such entries only referred to a person described by the initials "DD". The Ld. CIT(A) found that the seized documents did not contain the full name, designation, PAN, address, or any other identifying detail of the assessee. In the absence of such identifying particulars, he held that it was not possible to conclusively hold that the initials "DD" referred to the assessee.

22. The Ld. CIT(A) further observed that the Investigation Wing and the Assessing Officer had attempted to bridge this evidentiary gap by resorting to indirect material such as mobile phone data, contact lists, and a Truecaller search. However, according to the appellate authority, such material was wholly insufficient to

establish a legally sustainable nexus between the assessee and the seized documents. The fact that a mobile number was stored as “DD Personal” in the contact list of another person, or that a number was reflected in a public database as “AjitPawarBaramati”, could not conclusively prove that the entries in the seized diaries related to the assessee. He also noted that the statements of persons connected with Triton Group did not support the Department’s allegation. In particular, Shri Jiten Pujari had stated that “DD” was merely a distinctive code used for large transactions as per instructions of another person, and never identified the assessee as the person behind that code. Likewise, Shri Ratankant Sharma had categorically stated that he had no business relationship with the assessee. Thus, there was no direct statement, admission, or contemporaneous evidence linking the assessee to the alleged transactions.

23. The Ld. CIT(A) also examined the legal presumption under section 292C and observed that the statutory presumption regarding truthfulness of the contents of documents found during search applies only against the person from whose possession or control such documents are found. In the present case, since the notebooks and diaries were seized from the residence of Shri Jiten Pujari and were also stated to be in his handwriting, any presumption could, if at all, operate only against him and not against the present assessee, from whose possession no such material had been found. The appellate authority further noticed that, for valid assumption of jurisdiction under section 153C, two

conditions are indispensable: first, the seized documents must either belong to the other person or contain information that clearly relates to such person; and secondly, the Assessing Officer must be satisfied that such documents or information have a bearing on determination of total income of such person. On the facts of the case, he held that neither of these requirements stood satisfied, for the identity of "DD" had not been conclusively established, nor was there any material to demonstrate that the entries represented transactions carried out by or on behalf of the assessee.

24. The Ld. CIT(A) also found that the satisfaction note recorded by the Assessing Officer lacked any independent reasoning establishing the connection between the assessee and the seized documents and that substantial portions thereof appeared to be reproduced mechanically from the satisfaction note recorded in the case of the searched person. According to the appellate authority, such mechanical reproduction without independent application of mind further undermined the assumption of jurisdiction under section 153C. He also observed that even if one were to assume, only for the sake of argument, that "DD" referred to the assessee, there was still no evidence to show that the alleged cash transactions represented undisclosed income or unexplained investment of the assessee. The seized material was merely private noting of a third person and was not supported by corroborative evidence such as bank entries, confirmations, statements implicating the assessee, or any transactional trail

connecting the alleged payments to him. On these premises, the Ld. CIT(A) concluded that the seized documents lacked evidentiary value qua the assessee and that the basic jurisdictional requirement for invoking section 153C was not met. He accordingly quashed the notice issued under section 153C and the consequential assessment order framed under section 143(3) read with section 153C, and having done so, treated the grounds on merits as rendered infructuous.

25. Having perused the entire material and the order of the Ld. CIT(A), and having considered the rival contentions, we find ourselves in agreement with the conclusion arrived at by the first appellate authority. The basic edifice of the Revenue's case is that the initials "DD" appearing in third-party diaries seized from Shri Jiten Pujari refer to the assessee, and that this inference stands fortified by mobile phone contacts, Truecaller data, and certain digital examination of electronic devices of other persons. However, in our considered opinion, such material does not satisfy the standard required either for assumption of jurisdiction under section 153C or for sustaining an addition of this magnitude in the hands of the assessee. The seized documents do not bear the assessee's name. They were not found from his possession. They are not in his handwriting. There is no direct evidence that the code "DD" denotes him. The author of the diaries, namely Shri Jiten Pujari, did not identify the assessee as "DD"; rather, he explained that "DD" was a distinctive code used for high value transactions as per instructions of another person in the Triton

Group. The WhatsApp chats referred to by the Assessing Officer also do not have any explicit reference to the transaction entries appearing in the seized documents. Thus, the primary evidentiary link itself is conspicuously absent.

26. The action of the Assessing Officer in correlating the word “DD” with a contact saved in the personal phone of Shri Ratankant Sharma and then connecting it to the database in the “Truecaller” application appears to us to be highly tenuous and far-fetched. Such an inferential bridge, unsupported by direct evidence, is too fragile a foundation on which either jurisdiction under section 153C or an addition of ₹32.14 crores can rest. One cannot lose sight of the fact that the law on this issue is fairly well settled that third-party loose sheets, unsigned digital data, or uncorroborated documents cannot be used as evidence against an assessee unless supported by independent and credible evidence, and unless, where relied upon through statements, due opportunity including cross-examination is made available. Here, none of the entries in the seized material could be correlated with the books of account of the assessee, nor was any independent material brought on record to connect the alleged cash notings with the assessee’s financial affairs.

27. We may also observe that the reliance placed on Truecaller or similar private applications must be approached with considerable caution. The data on such applications is based on a crowd-sourced and user-generated editing model, which is not

completely dependable from the standpoint of legal authenticity and evidentiary sanctity. In *Commissioner of Customs, Bangalore v. Acer India (P) Ltd.*, the Hon'ble Supreme Court observed that material from editable online sources such as Wikipedia may not always be authentic. The principle underlying such caution applies with even greater force to crowd-generated identity databases. In an age where information circulates with astonishing speed and not always with corresponding reliability, courts and quasi judicial forums must remain vigilant against the seductive ease of digital assumption. Data may indeed be the new oil, but unless refined through the discipline of admissibility, authenticity, and corroboration, it cannot be poured straight into the judicial engine of fact-finding.

28. Much emphasis was laid by the Ld. DR on the doctrine of human probabilities. There can be no quarrel with the proposition that the taxing authorities and the courts are entitled to look at surrounding circumstances and apply the test of human conduct while appreciating evidence. However, the doctrine of human probabilities is an aid in evaluating evidence; it is not a substitute for evidence. Addition cannot be made merely on the basis of suspicion, perception, political identity, or social familiarity. There must be some material against the assessee in whose hands the addition is sought to be made. Suspicion, even when it appears compelling, cannot take the place of proof.

29. At this juncture, it would also be apposite to advert to the scope of presumptions under sections 132(4A) and 292C. The rule of evidence embodied therein raises a presumption that the contents of books of account and documents found in possession of a person are true and that documents in the handwriting of such person may be presumed to be of that person. Thus, where entries or borrowings are reflected in books in the assessee's own handwriting, a presumption can indeed be raised by the Department. But that statutory aid has its own boundaries. In the present case, the diaries and notebooks were found from Shri Jiten Pujari and not from the assessee. Therefore, whatever presumption may arise, it arises qua the person from whose possession the documents were found, and cannot automatically be transposed onto the present assessee.

30. In *Central Bureau of Investigation v. V.C. Shukla* reported in (1998) 3 SCC 410, popularly known as the Jain Hawala Diaries case, the Hon'ble Supreme Court examined the evidentiary worth of entries in books and loose sheets under section 34 of the Evidence Act. The Court held that while entries in books of account may be admissible, loose sheets or loose papers are not "books" and therefore entries contained in such loose papers do not enjoy the same evidentiary status. Even where entries in books are admissible, their truthfulness still requires independent corroboration. The Court ultimately held that the truth of the entries in the Jain Hawala Diaries was not established by independent evidence. Similar observations were made by the

Hon'ble Supreme Court in *Common Cause v. Union of India* reported in 394 ITR 220, where the Court held that loose papers do not possess evidentiary value sufficient to sustain adverse action against persons named or allegedly referred to therein. The ratio of these judgments squarely militates against the Revenue's attempt to fasten liability on the assessee solely on the basis of scribblings and interpretative digital correlation.

31. In the present case, the situation is even more stark. In the loose papers referred to by the Assessing Officer, there is no name of the assessee. The expression "DD" is not even an abbreviation of the assessee's full name. Merely because the assessee is a public figure and may be fondly known in political circles as "Dada" in Maharashtra politics, it cannot by itself justify the inferential leap that the initials "DD" in the diaries necessarily refer to him. Public notoriety, popularity, or colloquial identification cannot be substituted for legal proof. The WhatsApp chats discussed by the Assessing Officer do not contain reference to the specific transaction entries in the seized documents. The author of the papers, in his statement, explained "DD" as a code used for high value transactions. Thus, the very material relied upon by the Revenue fails to establish the most foundational fact necessary to proceed against the assessee.

32. On an overall consideration, therefore, we are of the clear opinion that the entire proceedings initiated against the assessee under section 153C are without the support of legally admissible

and credible evidence. The papers referred to by the Assessing Officer do not have such bearing on the income of the assessee as is contemplated by section 153C. The satisfaction recorded by the Assessing Officer does not demonstrate a live, cogent, and legally sustainable nexus between the seized material and the assessee. The Ld. CIT(A), in our view, has rightly appreciated both the facts and the law and was justified in quashing the proceedings under section 153C. Once the very jurisdictional foundation fails, the consequential assessment order cannot survive. We therefore uphold the findings of the Ld. CIT(A), both on fact and in law.

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

Order pronounced on 20th April, 2026.

Sd/-
(MAKARAND VASANT
MAHDEOKAR)

ACCOUNTANT MEMBER

Mumbai; Dated 20/04/2026
KARUNA, *sr.ps*

Sd/-
(AMIT SHUKLA)

JUDICIAL MEMBER

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Mumbai
5. Guard file.

//True Copy//

BY ORDER,

(Asstt. Registrar)
ITAT, Mumbai