

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'A' Bench, Hyderabad

Before Shri Laliet Kumar, Judicial Member
And
Shri Manjunatha, G. Accountant Member

S.No	Appeal in ITA No.	Assessee	Respondent	A.Y
1	381/Hyd/2023	ACIT Central Circle 2(2) Hyderabad	Bhoomika Agro Farms (P) Ltd Hyderabad PAN:AAFBC6665G	2020-21
2	382/Hyd/2023	-do-	-do-	2021-22
3	CO 7/Hyd/2023 (ITA 381/H/23)	Bhoomika Agro Farms (P) Ltd Hyderabad PAN:AAFBC6665G	ACIT Central Circle 2(2) Hyderabad	2020-21
4	CO 8/Hyd/2023 (ITA 382/H/23)	-do-	-do-	2021-22
5	385/Hyd/2023	-do-	Sunshine Estate Construction India LLP, Hyderabad PAN:ADRFS0667D	2019-20
6	386/Hyd/2023	-do-	-do-	2020-21
7	387/Hyd/2023	-do-	-do-	2022-22
8	CO3/Hyd/2023 (ITA 385/H/23)	Sunshine Estate Construction India LLP, Hyderabad PAN:ADRFS0667D	ACIT Central Circle 2(2) Hyderabad	2019-20
9	CO4/Hyd/2023 (ITA 386/H/23)	-do-	-do-	2020-21
10	CO5/Hyd/2023 (ITA 387/H/23)	-do-	-do-	2021-22
11	388/Hyd/2023	-do-	Krishi Housing (P) Ltd Hyderabad PAN:AAFCK9740B	2017-18
12	389/Hyd/2023	-do-	-do-	2018-19
13	390/Hyd/2023	-do-	-do-	2019-20
14	391/Hyd/2023	-do-	-do-	2020-21
15	392/Hyd/2023	-do-	-do-	2021-22
16	CO9/Hyd/2023 (ITA 388/H/23)	Krishi Housing (P) Ltd Hyderabad PAN:AAFCK9740B	ACIT Central Circle 2(2) Hyderabad	2017-18

17	CO10/Hyd/2023 (ITA 389/H/2023)	-do-	-do-	2018-19
18	CO11/Hyd/2023 (ITA 390/H/23)	-do-	- do -	2019-20
19	CO12/Hyd/2023 (ITA 391/H/23)	-do-	-do-	2020-21
20	CO13/Hyd/2023 (ITA392/H/23)	-do-	-do-	2021-22
21	398/Hyd/2023	ACIT Central Circle 2(2) Hyderabad	Krishna Rdddy Gujjula Nalgonda PAN:AIFPG8360E	2021-22
22	CO6/Hyd/2023 (ITA 398/H/23)	Krishna Rdddy Gujjula Nalgonda PAN:AIFPG8360E	ACIT Central Circle 2(2) Hyderabad	-do-
23	400/Hyd/2023	ACIT Central Circle 2(2) Hyderabad	SYLNS Agro Developers (P) Ltd Hyderabad PAN:AAVCS7094Q	2016-17
24	401/Hyd/2023	-do-	-do-	2017-18
25	402/Hyd/2023	-do-	-do-	2018-19
26	403/Hyd/2023	-do-	-do-	2019-20
27	404/Hyd/2023	-do-	-do-	2020-21
28	405/Hyd/2023	-do-	-do-	2021-22
29	CO14/Hyd/2023 (ITA 400/H/2023)	SYLNS Agro Developers (P) Ltd Hyderabad PAN:AAVCS7094Q	ACIT Central Circle 2(2) Hyderabad	2016-17
30	CO15/Hyd/2023 (ITA 401/H/23)	-do-	-do-	2017-18
31	CO16/Hyd/2023 (ITA 402/H/2023)	-do-	-do-	2018-19
32	CO17/Hyd/2023 (ITA 403/H/2023)	-do-	-do-	2019-20
33	CO18/Hyd/2023 (ITA 404/H/23)	-do-	-do-	2020-21
34	CO19/Hyd/2023 (ITA 405/H/23)	-do-	-do-	2021-22

निर्धारित द्वारा/Assessee by:	Shri Ravi Bharadwaj, CA
राजस्व द्वारा/Revenue by::	Smt.TH Vijaya Lakshmi, CIT(DR)
सुनवाई की तारीख/Date of hearing:	25/07/2024
घोषणा की तारीख/Pronouncement:	30/09/2024

आदेश/ORDER

Per Bench:

These Appeals filed by the Revenue and Cross objections filed by different assessee's are directed against separate, but identical orders of the learned CIT (A) – 12 Hyderabad, all dated 31/05/2023 and pertain to A.Ys. 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 respectively. Since facts are identical and the issue is common, for the sake of convenience, these appeals and cross objections are being heard and disposed off, by this common consolidated order.

ITA Nos 381 & 382/Hyd/2023 & C. Os 7 & 8/Hyd/2023

2. The Revenue has, more or less raised common grounds of appeal for both the Asst. years, therefore, for the sake of brevity, the grounds of appeal filed for the A.Y 2020-21 are reproduced hereunder:

“1. The Ld. CIT(Appeals) erred both in law and on facts of the case in granting relief to the assessee.

2. Ld.CIT(A) erred in Law while comparing the estimation in the hands of the Spectra Group has failed to distinguish the fact that it involved in sale of plot, not in aggregation.

3. Ld.CIT(A) erred in Law failing to verify the outward movement of cash portion of transactions to the different parties from whom loan was aggregated for which assessee has not filed any confirmation from the said parties evidencing the receipt of cash.

4. Ld.CIT(A) failed to distinguish the fact that while in the seized material found in the Spectra Group there is mention of

outward movement of cash to the land aggregators which is not indicative in the case of the assessee.

5. Ld.CIT(A) erred in Law that the estimation in the hand of the Spectra Group cannot be extended to the assessee, who is a land aggregator and could not furnish the confirmation from land sellers

6. The appellant craves leave to amend or alter any ground or add any other grounds which may be necessary.”

3. The brief facts of the case extracted from ITA No.381/Hyd/2023 for A.Y 2020-21 are that, the assessee is a company, engaged in undertaking commercial agricultural activities, including raising crops to produce, manufacturing, and processing all types of Agro-products and to acquire the land to carry on agricultural and related farming activities and also to deal in land. The assessee filed its return of income for the A.Y 2020-21 on 30/01/2021 admitting a total income of Rs.1,04,58,870/-. A search & seizure operation u/s 132 of the I.T. Act, 1961 was conducted in the Spectra Group of cases on 23.03.2021. During the course of the search & seizure operation, at the residential premises of Shri Gampa Arun Kumar, Group Director of M/s. Spectra India Eco Projects (P) Ltd, agreement of sale dated 14.08.2019, and certain cash receipts were found and seized vide Annexure GAR/RES/01. On verification of seized material from pages No. 1 to 17 of the Annexure, it was noticed that an agreement of sale dated 14.08.2019 was found. The agreement of sale was executed between M/s. Bhoomika Agro Farms (P) Ltd and M/s. Spectra India Eco Projects (P) Ltd, to sell agricultural land measuring 300 acres in various survey numbers situated at Cherukuru and Peddapur, Weldanta Mandal,

Nagarkurnool Distt. for an amount of Rs.170,60,00,000/-.

Further, the seized material also contains a cash receipt acknowledged by Shri P. Shashikant Reddy representative of Bhoomika Agro Farms (P) Ltd. During the course of search at the office premises of Spectra India Eco Projects (P) Ltd, a Scan Disk Pen Drive of 8 GB was found and seized vide Annexure A/SIEPL/OFF/PenD/01, which contains day sheets in the form of excel sheets which reveals cash receipts and cash payments made by Spectra India Eco Projects (P) Ltd, related to its business. On verification of the day sheet, it was found that certain cash payments aggregating to Rs.60,18,16m000/- were paid to M.s Bhoomika Agro Farms (P) Ltd for the period financial year 2018-19 to 2020-21. It was further noticed that the appellant has received an amount of Rs.60,18,16,000/- by way of cash and Rs.44,30,00,000/- through cheques/RTGS. During the post search investigation, Shri P. Shashikant Reddy was summoned and a statement u/s 131 of the I.T. Act, 1961 was recorded on 23.07.2021 and confronted with the seized documents. In response to a specific question, he has confirmed the agreement with Spectra India Eco Projects (P) Ltd, to sell 300 acres of agricultural land and also confirmed sale consideration of Rs.170,60,00,000/- which will be paid in 20 installments commencing from August, 2019 to February, 2021. He, further, stated that the cash payment referred to in day book seized from the office of Spectra India Eco Projects (P) Ltd, is related to cash payments made to the appellant company for the purpose of making payment to land owners for purchase of land and also related developmental work to be carried out in the land. He,

further, agreed that his company works as a mediator/aggregator to pool the land from various farmers in the locality and to sell directly to M/s. Spectra India Eco Projects (P) Ltd and for this purpose, the company got commission/income and the same has been offered to tax in the respective A.Ys. He further stated that on cash payment received from Spectra India Eco Projects (P) Ltd,, he has agreed to disclose an additional income @ 4% on the total amount shown in the name of M/s Bhoomika Agro Farms (P) Ltd.

4. Consequent to search, notice u/s 153C of the I.T. Act, 1961 dated 22.01.2022 was issued. In response to the notice, the assessee filed its return of income on 23.3.2023 admitting total income of Rs.2,57,90,870/-, which includes additional income @ 4% on total amount received in cash from Spectra India Eco Projects (P) Ltd. The case was selected for scrutiny. During the course of assesment proceedings, the Assessing Officer called upon the assessee to furnish the sale deeds for procurement of land about 300 acres and sold to Spectra India Eco Projects (P) Ltd. The Assessing Officer also called upon the assessee to explain the amount received in cash from Spectra India Eco Projects (P) Ltd, with necessary evidence. In response, the assessee submitted that the company works as a mediator for the land pooling and procures the land from farmers and enters into agreement with farmers for the land parcels identified by the developer. The appellant does not own any land, and it has engaged with the farmers and land owners and entered into sale agreement or agreement cum GPA and finally transferred the land directly to M/s. Spectra India Eco Projects (P) Ltd,. The appellant receives

money from Spectra India Eco Projects (P) Ltd and pass on to landowners. Further, the appellant works as a supervisor for the projects developed by Spectra India Eco Projects (P) Ltd, and cash payments received from Spectra India Eco Projects (P) Ltd, pertains to amount payable to landowner for purchase of land or otherwise for development expenses carried out in the site.

5. The Assessing Officer after considering the relevant submission of the assessee and also taken note of material found during the course of search, observed that although the appellant claims to have acted as a Mediator/Aggregator for pooling land to Spectra India Eco Projects (P) Ltd, but failed to prove the nature and purpose of receiving funds from Spectra India Eco Projects (P) Ltd, with proper documentary evidence. Since the assessee has not filed any evidence to prove amount received from Spectra India Eco Projects (P) Ltd, has been paid to farmers towards purchase of land or any other development work, and in absence of any evidence, in support of the contention of the assessee that it is a mediator for Spectra India Eco Projects (P) Ltd, the arguments of the assessee cannot be accepted. Therefore, rejected the explanation of the assessee and made addition towards the amount received in cash from Spectra India Eco Projects (P) Ltd, amounting to Rs.38,33,00,000/- as undisclosed income of the assessee. The Assessing Officer had also rejected the income admitted by the assessee @ 4% on total amount received from Spectra India Eco Projects (P) Ltd, on the ground that the argument of the assessee is nothing but camouflaging the total

receipts as commission and thus cannot be accepted. The relevant findings of the Assessing Officer are as under:

“10. Conclusion of the Assessing Officer

The reply of the assessee is not accepted. It is seen that during the course of search and seizure proceedings conducted at the office premises of M/s Spectra Group at 3-11-456, near Kamineni Hospital, Mansoorabad, L B Nagar, Ranga Reddy Distt, a SANDISK Pen Drive of 8GB was found and seized vide annexure A/SIEPL/OFF/PenD/01 and it contains Day Sheets in the form of excel sheets. The Day Sheets contains the cash receipts and cash payments made by the spectra group related to its business. On verification of the same it was found that certain cash payments aggregating to Rs. 60,18,16,000 was paid to M/s Bhoomika Agro Farms Private Limited for the period F.Y 2018-19 to 2020-21.

10.2 The assessee stated that they operate as a mediator for the land pooling and procure land from the farmers and enter into an agreement with the farmers for the land parcels identified for the development. At the beginning of the project, the land parcel is identified where Spectra Group is proposing to undertake development of land into plots. Then, they identify the land lords owning that land parcel and commence negotiation process with the land lords. The assessee had also stated that in their case, they have mediated the acquisition of land parcels by Spectra and the registration was done in the name of Spectra Group directly from the land lords.

10.3 In this regard it is seen that the seized material i.e. day sheets show that the assessee has received an amount of Rs.44,30,00,000 through Cheque/RTGS and also received cash receipts of Rs.60,18,16,000/- from M/s. Spectra Group. Hence, the onus is on the assessee to prove the nature and purpose of receiving those receipts with proper documentary evidence. It is seen that if the assessee is only acting as a mediator the amounts should not have received by the assessee through bank.

10.4 However, the assessee had not submitted any proof of payment to landlords and also proof for incurring development expenses for Spectra Group. In absence of the evidence the contention of the assessee that it is a mediator for Spectra Group cannot be accepted. In the light of the above conclusion, it is seen that the assessee is engaged in the business of trading of land and not a

mediator/land aggregator. Further, these cash receipts are not accounted in the books of account of the assessee. As no evidence was submitted for payments to land lords from the receipts of Spectra Group, the receipts of Rs.38,33,00,000/- for the A.Y. 2020-21 are treated as undisclosed receipts and added to the income of the assessee

Addition: Rs. 38,33,00,000/-

10.5 The assessee in his reply stated that a commission of Rs.1,53,32,000/ was received for mediation for lands which is nothing but camouflaging of total receipts as commission and hence this argument of the assessee cannot be accepted. Penalty u/s. 270A are initiated for mis-reporting of income.”

6. Being aggrieved by the assessment order, the assessee preferred an appeal before the learned CIT (A). Before the learned CIT (A), the assessee has filed detailed written submission on the issue which has been reproduced at Para 5 from pages 11 to 16 of the order of the learned CIT (A). The sum and substance of argument of the assessee before the learned CIT (A) is that it has worked as a mediator/aggregator for pooling land from various farmers in and around the place where M/s. Spectra Group was identified and develop residential lay out. The appellant has entered into a sale agreement for procuring and sale of 300 acres of land over a period of years. The appellant had received advance from Spectra Group and procured the land from farmers either by entering into an agreement to sell or agreement cum GPA and finally transferred land directly to Spectra Group. Although in some cases the land has been transferred in the name of the appellant company before it has been registered in the name of Spectra Group, but said transaction was very few wherever the

appellant was already having land in their possession. The remaining lands were identified and procured on behalf of Spectra Group. Therefore, the amount received from Spectra Group is either towards the purchase of land from the farmers or amount incurred towards various development work carried out in the site. Further, this fact has been reiterated by the Director of the appellant company Shri P Sashikant Reddy at the time of recording statement u/s 132 of the I.T. Act, 1961 during post search investigation and also admitted 4% income on said receipts. Therefore, the assessee submitted that the Assessing Officer has erred in making an addition towards total amount received from Spectra Group as undisclosed income of the assessee.

7. The learned CIT (A), after considering the relevant facts and also taken note of various evidences found during the course of search including the sale of agreement 14/08/2019 between the appellant company and M/s. Spectra Group observed that from the perusal of the documents found during the course of search coupled with statement recorded from the Director of the appellant company, it was noticed that the assessee acted as a Mediator/Aggregator and pooled land for M/s. Spectra Group. The assessee had also carried out supervisory work on behalf of Spectra Group and from the above it is very clear that the assessee is not a pass-through entity but would be acting as a Mediator/Aggregator charging its own price for rendering the said services. Therefore, opined that the appellant is a service provider based on the fact that whatever land was acquired by the

appellant through the funds of Spectra Group was ultimately transferred back to Spectra Group. The learned CIT (A) further observed that as per the agreement dated 14/08/2019 which was seized during the course of search operation, the appellant was to procure about 300 acres land at various places from landowners and in turn transferred to M/s Spectra Group. As per the recitals of the agreement, the land does not belong to the appellant and the appellant is only a custodian with mutual understanding. The land was not registered in the name of the appellant, and it was to transfer to Spectra Group on the funds provided by them. Therefore, taking note of the fact that the appellant works as a Mediator/Aggregator of land for Spectra Group and also taking note of fact that M/s. Spectra Group also confirmed payment to appellant company towards purchase of land from farmers opined that, since the appellant is just rendering services to Spectra Group, the amount received from Spectra Group cannot be taxed on the whole as its income as has been done by the Assessing Officer. The ultimate beneficiary is M/s Spectra Group and in the case of Spectra Group, the Assessing Officer has assessed the profit at 15% of its turnover. Therefore, the appellant cannot make more money than the ultimate beneficiary on whose behest the appellant was appointed. Therefore, taking note of relevant facts, directed the Assessing Officer to restrict the addition made towards money received from Spectra Group to the extent of 10% of unaccounted cash receipts including the income admitted by the appellant. The relevant findings of the learned CIT (A) are as under:

“This agreement has been dated 14.08.2019 and states about acquisition of 300 acres of land which did not belong to the

appellant and is a custodian on mutual understanding. The land has not been registered in the name of the appellant and it was to transfer it to SIG on funds provided by them. It is noted that till that date of search proceedings, only 70 acres has been transferred. The above agreement basically mandates and also obligates the appellant to transfer the lands so acquired to the extent of 300 acres. It can be seen from the above agreement that the lands under consideration were held by original land owners only and the appellant is being mentioned as custodian of the properties by virtue of mutual understanding, sale agreements with respective land owners. Thus, the appellant acts as a medium between the land owners and SIG. These lands were registered in favor of the SIG group subsequently. This agreement, thus, strengthens the contention of the Appellant that it is only acting as an aggregator to SIG.

It is also a fact that the appellant is into business activity of providing services as a land pooler/aggregator and not an investor or land owner. The AO concluded abruptly in holding that the whole receipt by Spectra belongs as income of the appellant and the AO stated that the appellant has not given any proof of payment further with regard to the funds received from Spectra.

The whole basis of the receipt of the appellant is the recording of day sheet made by the SIG Group which was seized during the course of search. The appellant's premise was neither searched nor surveyed u/s. 133A and there would be a likely chance of getting further documents in respect of the said activity. The statement of the recipient parties including the appellant were recorded only u/s. 131 and the said statement has not been found to be false by the AO.

It is seen that the order in the case of SIG Group namely M/s Spectra India Eco Projects Private Ltd, M/s Spectra India Mega Projects Private Limited and M/s Spectra India Housing Private Limited have not been passed for the purpose of assessment of income. On the basis of expenditure or the books of accounts but on account of total receipts which included the accounted cheque and unaccounted cash. The AO realized the futility of considering the picture of the day sheets found in toto as it would distort the determination of income of the payer i.e. the SIG Group. The AO in the case of assessing the entities of SIG group had the benefit of the seized material which was incriminating and unaccounted. The AO considered the same as true within the meaning of section 132(4) and section 292C on presuming that the day sheet found is true and has thus assessed the income of the entities of SIG group on the basis of the said day sheets and concluding that the estimation of income would be the best proposition to determine the taxable income of the entities of the SIG group. There was no consequent search or survey conducted in the case of the appellant and other equivalent mediators to arrive at certain incriminating documents or material. The Investigation effectively came to a

halt and thus whatever which was found u/s. 132(4) and u/s. 292C, the payer got the benefit of the seized document in establishing its true profit in the holistic picture and has been fairly assessed at net profit of 15% of determined turnover, whereas the appellant, a mediator has been saddled with the whole receipt as income.

As already stated and established that the appellant is à mere mediator/ land pooler, considering the series of transaction and the funds flow which have been reproduced in the charts above. The appellant can only be designated as a land pooling service provider being a business activity which essentially rendered the service. The lands so acquired are not stock in trade of the appellant in intent as the funding is done by the IG and also the agreement was to transfer it to SIG. The appellant is only holding things on behalf of the entities of SIG group to be ultimately transferred to them.

In this scenario as appellant is just rendering service and cannot be taxed on the whole quantum as it income as has been done by the AO. The ultimate beneficiary i.e., the SIG group has been assessed at 15% of its turnover as income. Obviously the appellant cannot make more money than the ultimate beneficiary on whose behest the appellant was appointed. In the present case the AO has taxed the mediator at more taxable income than the ultimate beneficiary itself which is grossly unfair and incorrect.

The AO has also not disputed that the appellant is not an aggregators in spite of the statements recorded u/s. 132 of SIG group and the appellant itself u/s. 131 of the Income Tax Act and the business flow brought out above. The AO has just in a single line brushed aside the factual contention and taxed the appellant at 100% of receipts.

In view of the totality of the circumstances and the assessment orders of entities of SIG, it would be fair to tax the appellant at 10% of the unaccounted receipts as recorded in the day sheets of the document seized in the search of SIG group. The other regular income for the accounted transactions has to be accepted as it is as no adverse inference has been recorded by the AO in this regard.

In view of the above discussion, the addition made in this regard for AYs 2020-21 and 2023-22 is to be restricted to 10% of the unaccounted receipts considering that the most of these kind of entities under consideration on similar issue, have reported an average of 6-7% net profit over the years. It is mentioned in the assessment orders that the appellant had already admitted 4% of the unaccounted receipts. However, the AO is directed to verify such admission in the income returned and restrict the addition in this regard to 10% of the unaccounted cash receipts including the admission by the appellant, if any. The ground no.

2 of both the appeals is partly allowed accordingly subject to the above direction.”

8. The learned CIT-DR, Mrs. TH Vijayalakshmi, submitted that the learned CIT (A) is erred in granting relief to the assessee by restricting additions made by the Assessing Officer towards the amount received from Spectra Group to 10% income on total unaccounted cash receipts without appreciating the fact that the appellant has failed to file the relevant evidences to prove outward movement of cash portion of transactions to different parties from whom land aggregated. The learned DR further referring to the evidence found during the course of search submitted that there is no dispute with regard to the fact that the appellant has received amount from M/s. Spectra Group through cheques/RTGS and also in cash. The amount received through cheques/RTGS has been accounted for by the assessee. However, the amount received in cash was not accounted for by the assessee. Therefore, the argument of the assessee that it acted only as a Mediator/Aggregator of land for Spectra Group is devoid of any merit. Further, had the appellant acted as Mediator/Aggregator, it would not have even considered payment received by cheques/RTGS as its income. The Assessing Officer, after considering relevant facts has rightly made addition towards unaccounted cash receipts from Spectra Group as undisclosed income of the assessee. The learned CIT (A) without considering relevant facts simply restricted the additions made by the Assessing Officer towards 10% income on total cash receipts.

9. The learned Counsel for the assessee Shri. Ravi Bharadwaj, CA submitted that during the course of search, copy of sale agreement dated 14.08.2019 was found and seized. As per the agreement between appellant company and Spectra Group, the appellant has agreed to sell 300 acres of land for a consideration of Rs.170,60,00,000/- starting from August 2019 to February 2021. The appellant has received advance from Spectra Group and paid farmers for purchase of land. Further, at the time of the agreement, the appellant did not own any land. The appellant has negotiated with the farmers and landowners and entered into sale agreement in few cases and in few cases entered sale cum AGPA. The lands have been directly transferred to Spectra Group by the farmers in a few cases. In a few cases, the appellant entered AGPA and finally transferred land to Spectra Group. In very few cases land is registered in the name of the appellant and subsequently transferred to Spectra Group. From the modes operandi employed by Spectra Group, the role of the assessee itself undisputedly clear that the appellant working as a aggregator/ mediator between land owners and Spectra Group and thus, the amount received from Spectra Group cannot be considered as income of the assessee. The learned Counsel for the assessee further referring to the findings of the learned CIT (A) submitted that the learned CIT (A) has recorded categorical finding that from the bank statement of the assessee, the entire amount has come from Spectra Group and immediately paid to land owners/farmers and therefore, after considering relevant facts has held that the appellant can be considered as an aggregator/mediator for M/s. Spectra Group and the amount

received from Spectra Group cannot be entirely treated as income of the assessee.

10. The learned Counsel for the assessee further referring to the grounds of Cross Objections filed by the assessee submitted that although the learned CIT (A), in principle agreed that the appellant working as a mediator/aggregator and earns only commission income, but erred in estimating 10% income on total unaccounted cash received from M/s. Spectra Group even though the Director of the appellant company in his statement recorded u/s 131 of the Act dated 29.07.2021 clearly stated that the appellant works as a mediator/aggregator and also do supervisory work for development work on behalf of Spectra Group and therefore, this activity earns very meagre income and also admitted 4% additional income on unaccounted cash received from Spectra Group, therefore, he submitted that estimation of income made by the learned CIT (A) should be restricted to 4% as admitted by the assessee.

11. We have heard both the parties, perused the material available on record and gone through the orders of the authorities below. During search, in Spectra Group of cases on 23.3.2021, copy of sale agreement dated 14.08.2019 and certain cash receipts were found and seized at the residential premises of Shri Gampa Arun Kumar, Director of Spectra Groups. Further, a Scan disk pen drive of 5GB was also found and seized from the office premises of Spectra Group. On verification of sale agreement dated 14.8.2019 between the appellant company and Spectra

Group, the appellant company agreed to sell agricultural land admeasuring 300 acres in various survey Nos situated in Cherukuru and Peddapur villages, Weldanta Mandal, Nagarkurnool Distt. for the amount of Rs.170,60,00,000/-. A statement was recorded from Shri P Shashikant Reddy, of Bhoomika Agro Farms (P) Ltd on 29.07.2021 and confronted copy of sale agreement dated 14.8.2019 and cash payments received from Spectra Group as per excel sheets found in Pen Drive. In response to a specific question, he has confirmed the sale agreement between appellant company and M/s. Spectra Group for the sale of 300 acres of land and also confirmed sale consideration referred to therein. He has further confirmed the amount received from Spectra Group as per the excel sheet found in Pen Drive including amount received through Cheques/RTGS and amount received by cash. However, he further stated that the appellant company works as Mediator/Aggregator of land for Spectra Group and whatever amount received from Spectra Group is either for payment to landowners towards purchase of land or expenditure incurred for development works at site.

12. The Assessing Officer made addition towards amount received from Spectra Group as undisclosed income of the assessee on the ground that the appellant could not furnish relevant evidence to prove that it was acting as an agent/aggregator/mediator for Spectra Group. According to the Assessing Officer, although appellant does not own entire parcel of land before entering into agreement with Spectra Group, but the appellant fails to prove the outward movement of cash portion

of amount received from Spectra Group to different parties from whom the land was aggregated. Therefore, he opined that in absence of any evidence, it is difficult to accept the argument of the assessee that it was acting as a Mediator/Aggregator for M/s. Spectra Group and the amount received from them is towards payment to landowners/farmers for purchase of land and also for various expenditure incurred at site.

13. We have given our thoughtful consideration to the reasons given by the Assessing Officer to make additions towards undisclosed amount received in cash from M/s. Spectra Group as income of the appellant and also reasons given by the learned CIT (A) to estimate 10% income on total undisclosed cash receipts received from above company in light of the argument of the learned Counsel for the assessee. We have also carefully gone through the sale of agreement dated 14.8.2019 between the appellant company and M/s Spectra Group. As per recitals of the sale agreement 14/08/2018, the appellant is having land bank in the name of respective owners mentioned in the registered document being entered into MOU and sale agreement with them and are the absolute owners of parcels of land being entered into sale deeds and peaceful possession and enjoyment of properties total admeasuring 300 acres. The agreement also provides for details of land including place of land, survey Nos. and extent. From the recitals of the agreement, it is very clear that at the time of entering into the agreement with Spectra Group, the appellant did not own 300 acres of land. Further, it was very clear that the appellant was holding a land bank in the name of respective

owners either by way of MOU, sale agreement or agreement cum GPA. Since the agreement itself provides clarity on the ownership of the land, that appellant was not owner of the entire land transferred to Spectra Group, in our considered view the arguments of the assessee that it acted as Mediator/Aggregator for pooling land to Spectra Group appears to be reasonable and bonafide. Therefore, to this extent, we fully agreed with the findings of facts recorded by the learned CIT (A).

14. Having said so, let's come back to what is the transaction between the appellant and Spectra Group. M/s. Spectra Group is a real estate developer and identifies land through its own source and through certain mediators approach the group. The mediator's pool the land from various farmers and consolidate before development of the same. All the requisite approval towards conversion of land and other regulatory measures were initiated at this point by the mediator in coordination with the group companies. Thereafter, the marketing team of the group starts selling to the customers. From the modes-operandi of Spectra Group, it appears that pooling of the land by the mediators and development of the land and sales to the customers by Spectra Group happens simultaneously. This fact is further strengthened by the fact that Spectra Group sells plots to various customers on an instalment basis by taking initial advance and balance in various instalments from customers. In this process, the role of the appellant is to acquire land where the group identifies land from various farmers/land owners by entering into sale agreement or Sale agreement cum GPA or MOU

and finally transfers land to Spectra Group directly from the farmers to Spectra Group or through AGPA in the name of the appellant and transfer to Spectra Group, and in some cases the land is registered in the name of the appellant and subsequently transferred to Spectra Group. In this regard, it is noted that, the learned CIT (A) has recorded a categorical finding in light of certain sample sale deeds between the appellant and Spectra Groups and observed that in many cases, the land has been directly registered in the name of Spectra Group by the land owners and in few cases land has been registered through AGPA by appellant company to Spectra Group and in very few cases the land has been directly registered by the appellant company to Spectra Group. The learned CIT (A) further observed that the consideration as per sale deed between landowners and Spectra Group and the appellant and Spectra Group is almost similar with minor difference. Therefore, in our view, going by the modes operandi of Spectra Group and role of appellant, there is no doubt of whatsoever in our mind to the argument of the learned Counsel for the assessee that, the appellant only works as a mediator/aggregator for land and whatever amount received from Spectra Group including unaccounted cash receipts is on behalf of Spectra Group to be paid to land owners for purchase of land. This fact is further strengthened by the statement recorded from Shri P Shashikant Reddy representative of Bhoomika Agro Farms (P) Ltd, where he has categorically stated that the appellant works as a Mediator/Aggregator for land pooling to M/s. Spectra Group and further, the company also works as a supervisor for developmental work in the proposed sites. Therefore, we are of the

considered view that the findings of the facts recorded by the learned CIT (A) in light of sale of agreement dated 14.08.2019, statement recorded from appellant and their representatives and also various evidences brought on record by the appellant that the appellant is a mediator/aggregator for land pooling to M/s Spectra Group and whatever the amount received from Spectra Group is finally paid or transferred to land owners is reasonable and acceptable.

15. We further note that the learned CIT (A) in his order also reproduced the sources of funds for the appellant as per their bank account which was substantially received from M/s Spectra Group and the same has been paid for procurement of land. All the above factors clearly demonstrate that the assessee company is acting as a Mediator for procurement of land at the behest of the Spectra Group without any doubt. Therefore, in our considered view, the Assessing Officer having noticed the fact that the agreement itself provides for aggregating land and to be transferred to Spectra Group at later stage and also to the fact that the land is directly registered in the name of Spectra Group from the land owners, is erred in disbelieving the argument of the assessee that the amount received from Spectra Group in cash has been either paid to land owners for purchase of land or for the purpose of expenses incurred towards development of land. In our considered view, if we go by the additions made by the Assessing Officer and tax levied in the hands of the assessee company, which is multiple times than the income of the ultimate beneficiaries i.e. Spectra Group. Therefore, going by the nature of

the business carried on by the assessee and industry standard, no person or developer can make such a huge amount of profit from this line of business within a short period of time. We further note that the learned Counsel for the assessee has produced copies of assessment order passed in the case of Spectra Group where, the Assessing Officer after considering relevant facts has not made any additions in the hands of Spectra Group towards amount paid in cash to appellant and various other companies. Further, the Assessing Officer of the Spectra Group has estimated profit at 15% of total turnover/gross receipts reported by the company for various A.Ys. Therefore, going by the above facts, we are of the considered view that when the ultimate beneficiary itself is not able to make more than 15% profit on its total business, it is difficult to accept the reasons given by the Assessing Officer that the appellant makes such a huge profit from purchase and sale of land within a short period. Therefore, we are of the considered view that the learned CIT (A), after considering relevant facts, has rightly estimated 10% income on total undisclosed cash receipts from Spectra Group as income of the assessee. Thus, we are inclined to uphold the findings of the learned CIT (A) and reject the grounds taken by the Revenue as well as the grounds of Cross Objections taken by the assessee.

16. In the result, appeals filed by the Revenue and Cross Objections filed by the assessee for both the Asst. years are dismissed.

ITA 385, 386 and 387/Hyd/2023 – A.Ys 2019-20 to 2021-22 (Revenue) and C.O Nos.3,4 and 5/Hyd/2023 (Assessee) - Sunshine Estate Construction India LLP, Hyderabad

17. The Revenue raised the following grounds for the A.Y 2019-20:

“1. The Ld. CIT(Appeals) erred both in law and on facts of the case in granting relief to the assessee.

2. Ld.CIT(A) erred in Law while comparing the estimation in the hands of the Spectra Group has failed to distinguish the fact that it involved in sale of plot, not in aggregation.

3. Ld.CIT(A) erred in Law failing to verify the outward movement of cash portion of transactions to the different parties from whom loan was aggregated for which assessee has not filed any confirmation from the said parties evidencing the receipt of cash.

4. Ld.CIT(A) failed to distinguish the fact that while in the seized material found in the Spectra Group there is mention of outward movement of cash to the land aggregators which is not indicative in the case of the assessee.

5. Ld.CIT(A) erred in Law that the estimation in the hand of the Spectra Group cannot be extended to the assessee, who is a land aggregator and could not furnish the confirmation from land sellers

6. The appellant craves leave to amend or alter any ground or add any other grounds which may be necessary.”

18. Brief facts of the case are that the assessee, a Limited Liability Partnership Firm, engaged in dealing with purchase and sale of land and filed its original return of income on 25/09/2019 admitting total income of Rs.52,44,530/-. A Search and Seizure operation u/s 132 of The Income Tax Act, 1961, in the Spectra Group of Cases was initiated on 23.03.2021 and the Search was concluded on 21.05.2021. During the course of search and seizure proceedings conducted at the office premises of M/s

Spectra Group, certain incriminating material was seized in the case of the assessee. Notice u/s 153C dated 06/01/2022 was issued to the assessee, in response to which the assessee company filed its return of income 22/08/2022 admitting a total income of Rs.64,44,530/-. In response to the statutory notices issued thereafter, the assessee furnished the relevant information called for and after verification of the information furnished by the assessee, the Assessing Officer completed the assessment.

19. The Assessing Officer did not accept the reply filed by the assessee. During the course of search and seizure proceedings conducted at the office premises of M/s Spectra Group a SANDISK Pen Drive of 8GB was found and seized vide annexure A/SIEPL/OFF/PenD/01 and it contains day sheets in the form of excel sheets which contain the cash receipts and cash payments made by the spectra group related to its business. On verification of the same it was found that certain cash payments aggregating to Rs. 31,42,19,500/- was paid to M/s Sunshine Estate Construction India LLP for the period F.Y 2018-19 to 2020-21. According to the assessee they operate as a mediator for the land pooling and procure land from the farmers and enter into an agreement with the farmers for the land parcels identified for the development. At the beginning of the project, the land parcel is identified where Spectra Group is proposing to undertake development of land into plots. Then, they identify the land lords owning that land parcel and commence negotiation process with the land lords. The assessee had also stated that in their case, they have mediated the acquisition of land parcels by Spectra and

the registration was done in the name of Spectra Group directly from the land lords.

20. The Assessing Officer noted from the seized material i.e. day sheets show that the assessee has received an amount of Rs.31,42,19,500/- in cash in total from M/s. Spectra Group for the period F.Y 2018-19 to 2020-21. Hence, the onus is on the assessee to prove the nature and purpose of receiving those receipts with proper documentary evidence. It is seen that if the assessee is only acting as a mediator the amounts should not have received by the assessee through bank. However, the assessee had not submitted any proof of payment to land lords and also proof for incurring development expenses for Spectra Group. In absence of the evidence the contention of the assessee that it is a mediator for Spectra Group cannot be accepted. In the light of the above conclusion, it is seen that the assessee is engaged in the business of trading of land and not a mediator/land aggregator. Further, these cash receipts are not accounted in the books of accounts of the assessee. As no evidence was submitted for payments to landlords from the receipts of Spectra Group, the receipts of Rs.3,00,00,000/- for the A.Y. 2019-20 are treated as undisclosed receipts and added to the income of the assessee. The assessee in his reply stated that a commission of Rs.12,00,000/- was received for mediation for lands which is nothing but camouflaging of total receipts as commission and hence this argument of the assessee cannot be accepted.

21. Being aggrieved, the Revenue preferred an appeal before the learned CIT (A). The learned CIT (A) partly allowed the appeal filed by the assessee by directing the Assessing Officer to estimate 10% income on total undisclosed cash receipts from Spectra Group.

22. Aggrieved, the Revenue is in appeal before the Tribunal.

23. We have heard the rival contentions, perused the material available on record and gone through the orders of the authorities below. We find that the facts and issues involved in these appeals filed by the Revenue are identical to the facts and issues which we had considered in the case of Bhoomika Agro Farms (P) Ltd in ITA Nos.381 & 382/Hyd/2023 for the A.Y 2020-21 & A.Y 2021-22. But for figures, the reasons given by us in preceding paragraphs Nos 11-15 shall mutatis mutandis apply to these appeals as well. Therefore, for similar reasonings, we are inclined to uphold the findings of the learned CIT (A) and dismiss the appeals filed by the Revenue and cross objections filed by the assessee.

24. In the result, all the 3 Appeals filed by the Revenue in ITA 385, 386 and 387/Hyd/2023 for the A.Ys 2019-20 to 2021-22 as well as the cross objections filed by the assessee are dismissed.

**ITA Nos 388 to 392/Hyd/2023 & C.Os 9 to 13/Hyd/2023 –
Krishi Housing (P) Ltd, Hyderabad for A.Y 2017-18 to 2021-22**

25. The Revenue raised similar grounds of appeals in the above 5 appeals with that of M/s. Sunshine Estate Construction India LLP, Hyderabad.

26. The assessee, a company, deriving income from business and filed its original return of income on 10/01/2018, declaring total income of Rs. 19,44,140/- prior to search. A Search and Seizure operation in the Spectra Group of Cases was initiated on 23.03.2021. During the course of search and seizure proceedings conducted at the residential premises of Sri Arun Kumar Gampa director of M/s Spectra Group certain agreement of sales and cash receipts were seized vide annexure A/GAK/RES/02. On verification of seized material vide Page no 130 to 133 of annexure A/GAK/RES/02 an agreement of sale dated 26.06.2015 was found. The agreement of sale was executed between Sri M.Ugandhar Reddy of M/s Krishi Housing Pvt Ltd and 3 others with M/s Spectra India Eco Projects Pvt Ltd to sell developed land admeasuring 37 acres at Balanagar village, Balanagarmandal, Mahabubnagar Distt. for a consideration of at Rs.1310 per sq yard. On verification of seized material vide Page no 66 to 73 of annexure A/GAK/RES/05 an agreement of sale dated 26.06.2015 was found. The agreement of sale was executed between Sri M.Ugandhar Reddy of M/s Krishi Housing Pvt Ltd and Sri V Janga Reddy with M/s Spectra India Eco Projects Pvt Ltd to sell developed plots admeasuring 1,76,400 Sq Yards which comes from land admeasuring Ac.53-12 Gts in Sy.No.121,124 to

127, 129, to 135 situated at Gunded Village, BalanagarMandal, Mahaboobnagar Distt. and land Admeasuring Ac.10-20 Gts situated at Nandaram village, BalanagarMandal, Mahboobnagar Distt. for a sale consideration of Rs.1,600 per Sq Yards. Further as per the seized material vide annexure A/GAK/RES/02, in the form of receipts acknowledged by Sri M.Ugandhar Reddy or representatives of M/s Krishi Housing Pvt Ltd, shows that M/s Krishi Housing Pvt Ltd has received an amount of Rs. 24,38,01,000/- by way of cash and Rs.7,40,00,000 through Cheque/RTGS. Summons u/s 131 of the Income tax Act,1961 were issued to Sri M.Ugandhar Reddy of M/s Krishi Housing Pvt Ltd by DDIT(Inv), Unit 1(4), Hyderabad, in response to which he appeared and a statement was recorded from him.

27. The Assessing Officer observed that as per receipts of payments seized vide annexure A/GAR/RES/02 during the course of search proceedings in the residential premises of Sri Gampa Arun Kumar Dir of M/s Spectra Group which was inventorized as 'Annexure-II' and enclosed to the statement recorded from Sri G. Arun Kumar. As per the 'Annexure-II' it is evident that cash payments of Rs. 24,38,01,000/-&cheque payments of Rs.7,40,00,000 were made to M/s Krishi Housing Pvt Ltd / You by M/s Spectra Group on various dates. The assessee stated that they operate as a mediator for the land pooling and procure land from the farmers and enter into an agreement with the farmers for the land parcels identified for the development. At the beginning of the project, the land parcel is identified where Spectra Group is proposing to undertake development of land into

plots. Then, they identify the land lords owning that land parcel and commence negotiation process with the land lords. The assessee had also stated that in their case, they have mediated the acquisition of land parcels by Spectra and the registration was done in the name of Spectra Group directly from the land lords. In this regard it is seen that the seized material i.e. agreement of sale, cash receipts and day sheets show that the assessee has received an amount of Rs. 7,40,00,000 through Cheque/RTGS and also received cash receipts of Rs. 28,76,91,000/- from M/s. Spectra Group. Hence, the onus is on the assessee to prove the nature and purpose of receiving those receipts with proper documentary evidence. It is seen that if the assessee is only acting as a mediator the amounts should not have received by the assessee through bank. However, the assessee had not submitted any proof of payment to land lords and also proof for incurring development expenses for Spectra Group. In absence of the evidence the contention of the assessee that it is a mediator for Spectra Group cannot be accepted. In the light of the above the Assessing Officer concluded that the assessee is engaged in the business of trading of land and not a mediator/land aggregator. Further, these cash receipts are not accounted in the books of accounts of the assessee. As no evidence was submitted for payments to land lords from the receipts of Spectra Group, the receipts of Rs5,68,50,000/- for the A.Y. 2017-18 are treated as undisclosed receipts and added to the income of the assessee.

28. Being aggrieved, the Revenue preferred an appeal before the learned CIT (A). The learned CIT (A) partly allowed the

appeal filed by the assessee by directing the Assessing Officer to estimate 10% income on total undisclosed cash receipts from Spectra Group.

29. Aggrieved, the Revenue is in appeal before the Tribunal.

30. We have heard the rival contentions, perused the material available on record and gone through the orders of the authorities below. We find that the facts and issues involved in these appeals filed by the Revenue are identical to the facts and issues which we had considered in the case of Bhoomika Agro Farms (P) Ltd in ITA Nos.381 & 382/Hyd/2023 for the A.Y 2020-21 & A.Y 2021-22. But for figures, the reasons given by us in preceding paragraphs Nos 11-15 shall mutatis mutandis apply to these appeals, as well. Therefore, for similar reasonings, we are inclined to uphold the findings of the learned CIT (A) and dismiss the appeals filed by the Revenue and cross objections filed by the assessee.

31. In the result, all the appeals in ITA Nos 388 to 392/Hyd/2023 filed by the Revenue and C.Os 9 to 13/Hyd/2023 filed by the assessee in respect of Krishi Housing (P) Ltd, Hyderabad for A.Y 2017-18 to 2021-22 are dismissed.

ITA No. 398/Hyd/2023 & C.O 6/Hyd/2023 – Krishna Reddy Gujjula, Nalgonda – A.Y 2021-22

32. The Revenue raised similar grounds of appeals in ITA 398/Hyd/2023 with that of M/s. Sunshine Estate Construction India LLP, Hyderabad.

33. The assessee is an individual, deriving income through hotel business. The assessee filed his original return of income on 31.12.2021 admitting total income at Rs.6,35,810/-. A Search and Seizure operation in the Spectra Group of Cases was concluded on 21.05.2021. During the course of search and seizure operation conducted at the residential premises of Sri Gampa Arun Kumar director of M/s Spectra Group certain Cash Receipts in the name of the assessee were found and seized vide annexure A/GAK/RES/03 & 04. As per these receipts the assessee is in receipt of an amount of Rs.5,67,86,000/- by way of cash and Rs.3,50,50,000/- by way of Cheque for the financial year 2020-21. Statutory notices u/s 143(2) & 142(1) of the I.T. Act, 1961 was issued and served on the assessee to which the assessee appeared before the Assessing Officer and furnished the requisite information as called for.

34. Before the Assessing Officer, the assessee stated that they operate as a mediator for the land pooling and procure land from the farmers and enter into an agreement with the farmers for the land parcels identified for the development. At the beginning of the project, the land parcel is identified where Spectra Group is proposing to undertake development of land into plots. Then, they

identify the land lords owning that land parcel and commence negotiation process with the land lords. The assessee had also stated that in their case, they have mediated the acquisition of land parcels by Spectra and the registration was done in the name of Spectra Group directly from the land lords. In this regard the Assessing Officer observed that that the seized material i.e. receipts show that the assessee has received an amount of Rs.5,67,86,000/- by way of cash and Rs.3,50,50,000/- by way of Cheque aggregating to Rs.9,18,36,000/- from M/s. Spectra Group. Hence, the onus was on the assessee to prove the nature and purpose of receiving those receipts with proper documentary evidence. The Assessing Officer further observed that if the assessee is only acting as a mediator, the amounts should not have received by the assessee through bank. However, the assessee had not submitted any proof of payment to land lords and also proof for incurring development expenses for Spectra Group. In absence of the evidence the contention of the assessee that it is a mediator for Spectra Group cannot be accepted. In the light of the above, the Assessing Officer concluded that the assessee is engaged in the business of trading of land and not a mediator/land aggregator. Further, these cash receipts are not accounted in the books of accounts of the assessee. As no evidence was submitted for payments to land lords from the receipts of Spectra Group, the receipts of Rs.9,18,36,000/- for the F.Y. 2020-21 are treated as undisclosed receipts and added to the income of the assessee.

35. Being aggrieved, the Revenue preferred an appeal before the learned CIT (A). The learned CIT (A) partly allowed the appeal filed by the assessee by directing the Assessing Officer to estimate 10% income on total undisclosed cash receipts from Spectra Group.

36. Aggrieved, the Revenue is in appeal before the Tribunal.

37. We have heard the rival contentions, perused the material available on record and gone through the orders of the authorities below. We find that the facts and issues involved in these appeals filed by the Revenue are identical to the facts and issues which we had considered in the case of Bhoomika Agro Farms (P) Ltd in ITA Nos.381 & 382/Hyd/2023 for the A.Y 2020-21 & A.Y 2021-22. But for figures, the reasons given by us in preceding paragraphs Nos 11-15 shall mutatis mutandis apply to these appeals as well. Therefore, for similar reasonings, we are inclined to uphold the findings of the learned CIT (A) and dismiss the appeals filed by the Revenue and cross objections filed by the assessee.

38. In the result, all the appeal filed by the Revenue as well as the cross objections raised by the assessee are dismissed.

ITA Nos.400 to 405/Hyd/2023 (Revenue) and C.O No.14 to 19/Hyd/2023 by SLNS Agro Developers (P) Ltd – A.Ys 2016-17 to 2021-22.

39. The Revenue raised similar grounds of appeals in ITA Nos. 400 to 405/Hyd/2023 with that of M/s. Sunshine Estate Construction India LLP, Hyderabad.

40. The assessee is a company deriving income from business and filed its original return of income on 17/10/2016, declaring total income of Rs. 1,67,540/- prior to search. During the course of Search and Seizure operations conducted in the residential premises of M/s. Spectra India Eco Projects Pvt. Ltd., certain incriminating material were seized in the case of the assessee. Statutory notices u/s 143(2) & 142(1) of the I.T. Act, 1961 was issued and served on the assessee to which the assessee appeared before the Assessing Officer and furnished the requisite information as called for.

41. The Assessing Officer did not accept the reply furnished by the assessee. According to the Assessing Officer, search and seizure proceedings conducted at the office premises of M/s Spectra Group, a SANDISK Pen Drive of 8GB was found and seized vide annexure A/SIEPL/OFF/PenD/01 and it contains Day Sheets in the form of excel sheets. The Day Sheets contains the cash receipts and cash payments made by the spectra group related to its business. On verification of the same it was found that certain cash payments aggregating to Rs. 178.49 crores was paid to M/s SYLNS Agro Developers Pvt Ltd for the period F.Y

2014-15 to 2020-21. For the A.Y.2016-17, the receipts from Spectra Group amounted to Rs. 13,00,48,610/-. The assessee stated that they operate as a mediator for the land pooling and procure land from the farmers and enter into an agreement with the farmers for the land parcels identified for the development. At the beginning of the project, the land parcel is identified where Spectra Group is proposing to undertake development of land into plots. Then, they identify the land lords owning that land parcel and commence negotiation process with the land lords. The assessee had also stated that in their case, they have mediated the acquisition of land parcels by Spectra and the registration was done in the name of Spectra Group directly from the land lords. The Assessing Officer further observed that as per the evidence found and seized during the search the assessee has received an amount of Rs. 178.49 Crores by way of cash in the financial Year 2014-15 to 2020-21 from M/s. Spectra Group. Hence, the onus is on the assessee to prove the nature and purpose of receiving those receipts with proper documentary evidence. According to the Assessing Officer, that if the assessee is only acting as a mediator the amounts should not have received by the assessee through bank. However, the assessee had not submitted any proof of payment to land lords and also proof for incurring development expenses for Spectra Group. In absence of the evidence the contention of the assessee that it is a mediator for Spectra Group cannot be accepted. In the light of the above the Assessing Officer concluded that the assessee is engaged in the business of trading of land and not a mediator/land aggregator. Further, these cash receipts are not accounted in the books of

accounts of the assessee. As no evidence was submitted for payments to land lords from the receipts of Spectra Group, the receipts of Rs.Rs.13,00,48,610/- for the A.Y. 2016 17 are treated as undisclosed receipts and added to the income of the assessee.

42. Being aggrieved, the Revenue preferred an appeal before the learned CIT (A). The learned CIT (A) partly allowed the appeal filed by the assessee by directing the Assessing Officer to estimate 10% income on total undisclosed cash receipts from Spectra Group.

43. Aggrieved, the Revenue is in appeal before the Tribunal.

44. We have heard the rival contentions, perused the material available on record and gone through the orders of the authorities below. We find that the facts and issues involved in these appeals filed by the Revenue are identical to the facts and issues which we had considered in the case of Bhoomika Agro Farms (P) Ltd in ITA Nos.381 & 382/Hyd/2023 for the A.Y 2020-21 & A.Y 2021-22. But, for figures, the reasons given by us in preceding paragraphs Nos 11-15 shall mutatis mutandis apply these appeals as well. Therefore, for similar reasonings, we are inclined to uphold the findings of the learned CIT (A) and dismiss the appeals filed by the Revenue and cross objections filed by the assessee.

45. In the result, all the six appeals filed by the Revenue as well as the six cross objections raised by the assessee are dismissed.

46. To sum up, all the appeals filed by the Revenue as well as the Cross Objections filed by the Assesseees are dismissed.

Order pronounced in the Open Court on 30th September, 2024.

Sd/- (MANJUNATHA, G.) ACCOUNTANT MEMBER	Sd/- (LALIET KUMAR) JUDICIAL MEMBER
---	---

Hyderabad, dated 30th September, 2024

Vinodan/sps

Copy to:

S.No	Addresses
1	ACIT Central Circle 2(2) Room No.616, 6 th Floor, Aayakar Bhavan, Basheerbagh, Hyderabad 500004
2	Bhoomika Agro Farms (P) Ltd, D.No.2-71 Battu Gudem Village, Yellammagudem Post, Thipparthi Mandal, Nalgonda
3	Sunshine Estate Construction India LLP, Plot No.11, 12 1 st Floor, Amar Society, Kavuri Hills, Guttalbegumpeta, Hyderabad
4	Krishi Housing (P) Ltd Plot No.5, Balaji Colony, Jillelguda, Hyderabad 500079
5	Shri Krishna Reddy Gujjula, H.No.2-128/5 Sriram Nagar, Yadagirigutta, Hyderabad 508115
6	SYLNS Agro Developers (P) Ltd, H.No.9-4 Sai Nagar, Uppal Depot, Peerjadiguda, Ghatkesar, Hyderabad 500039
7	PCIT, Central, Hyderabad
8	DR, ITAT Hyderabad Benches, Hyderabad
9	Guard File

By Order