

आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ "सी", अहमदाबाद ।
IN THE INCOME TAX APPELLATE TRIBUNAL
" C " BENCH, AHMEDABAD

सुश्री सुचित्रा कम्बले, न्यायिक सदस्य एवं
श्री मकरंद वसंत महादेवकर, लेखासदस्य के समक्ष।

BEFORE MS. SUCHITRA KAMBLE, JUDICIAL MEMBER
AND

SHRI MAKARAND V. MAHADEOKAR, ACCOUNTANT MEMBER

Sl. No(s)	आयकर अपील सं/ ITA No(s)	निर्धारण वर्ष/ Assessment Year(s)	Appeal(s) by :	
			अपीलकर्ता / Appellant	प्रत्यर्थी / Respondent
1.	1163/Ahd/2024	2021-22	DCIT Cent.Cir1(1) Ahmedabad (Revenue)	Jayanti Misrimal Sanghavi 9, Ambalal Park Rambaug Road Ramnagar, Sabarmati Ahmedabad - 380 005 PAN: ACZPS 3706 J
2.	1164/Ahd/2024	2021-22	-do-Revenue	Ravi Pawankumar Sanghavi Room No.19, 2 nd Floor 15/17 Lakdawala Bldg. 5 th Khetwadi Mumbai 400 004 PAN: AOEPS5983 E
3.	1165/Ahd/2024	2021-22	-do-Revenue	Pawan Kumar Mistrimalji Sanghavi (address as above) Mumbai - 400 004 PAN: AGIPS 3322 F
4.	1168/Ahd/2024	2021-22	-do-Revenue	Shantilal Mishrimal Sanghavi 17, Rajmugat Soc. Ankur Road Naranpura 4Rasta, Ahmedabad - 380 013 PAN: AAEPS 7259 P
5.	1169/Ahd/2024	2021-22	-do-Revenue	Yashkumar Shantilal Sanghvi 801, 8 th Floor Shivam Apartment Babulnath Road

				Nr. Babulnath Temple Mumbai - 400 007 PAN: DCKPS 3852 R
--	--	--	--	--

Assessee by :	Shri Vijay Mehta, AR
Revenue by :	Shri A.P. Singh, CIR-DR

सुनवाई की तारीख / **Date of Hearing** : 02/04/2025
घोषणा की तारीख / **Date of Pronouncement**: 22/04/2025

आदेश / O R D E R

PER MAKARAND V. MAHADEOKAR, AM:

These appeals filed by the Revenue are directed against the separate orders passed by the Learned Commissioner of Income Tax (Appeals)-11, Ahmedabad ["CIT(A)"], all dated 30.03.2024 for the Assessment Year (AY) 2021-22, whereby the CIT(A) deleted the various additions made by the Assessing Officer (AO) under sections 69A and 69C read with section 115BBE of the Income Tax Act, 1961 ("the Act"). Since the issues involved in these appeals are common and interconnected, they are being disposed of by this consolidated common order for the sake of convenience.

Brief Facts

2. A search action under section 132 of the Income Tax Act, 1961 ("the Act") was conducted on 23.11.2021 at the residence and office premises of Shri Prakash M. Sanghvi and his family members. During the course of search, various diaries and loose papers were found and seized, marked as Annexure A-1 to A-12. The seized materials contained records of business transactions for Financial Years (FYs) 2009-10 to 2020-21 (relevant to AYs 2010-11 to 2021-22). On the basis of these seized documents, assessments were framed by the

AO under section 143(3) r.w.s. 153A/144 of the Act, wherein the AO made various additions under section 69A or 69C read with section 115BBE on the basis of entries in the seized diaries. The details of additions relating to appeal before us are summarized below:

Sr. No.	Name of Assessee	Ledger(s) in Diaries	Amount Added	Section Invoked	AO's Order Date
1	Jayanti Mishrimal Sanghvi	"JMS" and "JMS Flat A/c" Loose papers showing cash payments for land purchases.	Rs. 1,74,91,624/- and` Rs. 55,00,550/-	69A r.w.s. 115BBE and 69 r.w.s 115BBE	28.12.2022
2	Ravi Pawankumar Sanghvi	"Ravi Paras Baroda" & "Ravi Startup A/c"	Rs. 96,51,300/- and Rs. 2,47,09,428/-	69A and 69C r.w.s. 115BBE	26.12.2022
3	Pawan Kumar Mishrimal Sanghvi	"PMS" and "Pawanbhai A/c"	Rs. 95,31,533/-	69A r.w.s. 115BBE	26.12.2022
4	Shantilal Mishrimal Sanghvi	"SMS" and "SMS Flat A/c"	Rs. 81,89,250/-	69A r.w.s. 115BBE	28.12.2022
5	Yashkumar Shantilal Sanghvi	"Yash Flat A/c"	Rs. 2,39,29,012/- and Rs. 27,211/ -	69A r.w.s. 115BBE and 56	28.12.2022

3. The assessee preferred respective appeals against these additions before the CIT(A), who by separate orders dated 30.03.2024, deleted the additions in each case. The CIT(A) observed that the seized ledgers and documents relied upon by the Assessing Officer primarily recorded cash payments made by Shri Prakash M. Sanghvi and not receipts by the respective assessees. The source of such payments had already been examined, assessed, and taxed in the hands of Shri Prakash M. Sanghvi by the AO. It was further noted that there was no material brought on record to

establish that the present assessee had independently received or utilized any unexplained cash outside the cash cycle of Shri Prakash M. Sanghvi. The CIT(A) noted that for the earlier assessment years from A.Y. 2012-13 to A.Y. 2020-21, on identical facts and circumstances, no additions had been made by the AO in the cases of the present assessee and thus applied the principle of consistency while deleting the additions. The CIT(A) also took cognizance of the negative peak analysis furnished by the assessee, which demonstrated that at no point in time was there any unexplained cash surplus attributable to them.

4. Aggrieved by the orders of CIT(A) the Revenue has raised following identical grounds in all the appeals:

In the case of Jayanti Mishrimal Sanghvi (ITA No. 1163/AHD/2024):

1. *In the facts and circumstances of the case and in law, the CIT(A) has erred in deleting the addition of Rs. 1,74,91,624/- on account of unaccounted cash receipt under section 69A r.w.s. 115BBE of the Act.*
2. *In the facts and circumstances of the case and in law, the CIT(A) has erred in deleting the addition of Rs. 55,00,550/- on account of unaccounted investment u/s 69 r.w.s. 115BBE of the Act.*
3. *The Revenue craves leave to add/ alter/ amend and/ or substitute any or all of the grounds of appeal.*

In the case of Ravi Pawankumar Sanghvi (ITA No. 1164/AHD/2024):

1. *In the facts and circumstances of the case and in law, the CIT(A) has erred in deleting the addition of Rs. 96,51,300/- on account of unaccounted cash receipt under section 69A r.w.s. 115BBE of the Act.*
2. *In the facts and circumstances of the case and in law, the CIT(A) has erred in deleting the addition of Rs. 2,47,09,428/- on account of unaccounted expenses under section 69C r.w.s. 115BBE of the Act.*
3. *The Revenue craves leave to add/ alter/ amend and/ or substitute any or all of the grounds of appeal."*

In the case of Pawan Kumar Mishrimal Sanghvi (ITA No. 1165/AHD/2024):

1. *In the facts and circumstances of the case and in law, the CIT(A) has erred in deleting the addition of Rs. 95,31,533/- on account of unaccounted cash receipt under section 69A r.w.s. 115BBE of the Act.*
2. *The Revenue craves leave to add/ alter/ amend and/ or substitute any or all of the grounds of appeal.*

In the case of Shantilal Mishrimal Sanghvi (ITA No. 1168/AHD/2024):

1. *In the facts and circumstances of the case and in law, the CIT(A) has erred in deleting the addition of Rs. 81,89,250/- on account of unaccounted cash receipt under section 69A r.w.s. 115BBE of the Act.*
2. *The Revenue craves leave to add/ alter/ amend and/ or substitute any or all of the grounds of appeal.*

In the case of Yashkumar Shantilal Sanghvi (ITA No. 1169/AHD/2024):

1. *In the facts and on the circumstances of the case and in law, the Id. CIT(A) has erred in deleting the addition of Rs. 2,39,29,012/- made u/s. 69A r.w.s. 115BBE of the IT Act on account of unexplained & unaccounted income.*
2. *In the facts and on the circumstances of the case and in law, the Id. CIT(A) has erred in deleting the addition of Rs. 27,211/- - made u/s. 56 of the IT Act on account of accrued interest as income from other sources.*
3. *The Revenue craves leave to add/ alter/ amend and/ or substitute any or all of the grounds of appeal.*

5. During the course of hearing before us, the Learned Authorized Representative (AR) the seized diaries and ledgers, being Annexures A-1 to A-12, primarily recorded cash payments made by Shri Prakash M. Sanghvi, and not receipts or investments by the respective assesseees. It was contended that the entire cash flow recorded therein had already been subjected to tax in the hands of Shri Prakash M. Sanghvi, as upheld by the Co-ordinate Bench vide order dated 18.02.2025 (ITA No. 1138/ Ahd/2024), wherein unaccounted income aggregating to Rs. 189.84 crores were determined. The AR emphasised that no independent unexplained income or receipt of cash had been attributed to the assesseees individually. The seized ledgers merely reflected applications of funds sourced from Shri Prakash Sanghvi's unaccounted income. It was further submitted that similar facts existed in

earlier assessment years, from A.Y. 2012-13 to A.Y. 2020-21, and in those years, no additions had been made against the present assessees. The AR also made a written submissions in case of each assessee the summary of the same is tabulated as below:

Sr. No.	Name of Assessee	Ledger/Annexure Referred	Core Submissions
1	Jayanti Mishrimal Sanghvi	"JMS" and "JMS Flat A/c" (Annexure A-12)	(i) Entries reflect cash payments made by Shri Prakash Sanghvi. (ii) No independent unexplained receipt or investment. (iii) Loose papers reconciled with taxed cash. (iv) Negative peak analysis shows no unexplained surplus.
2	Ravi Pawankumar Sanghvi	"Ravi Paras Baroda" and "Ravi Startup A/c" (Annexure A-12)	(i) Entries reflect intra-group adjustments managed by Shri Prakash Sanghvi. (ii) No independent cash receipt or expenditure. (iii) Peak credit supports no surplus cash.
3	Pawan Kumar Mishrimal Sanghvi	"PMS" and "Pawanbhai A/c" (Annexure A-12)	(i) Entries record cash payments from Shri Prakash Sanghvi's taxed income. (ii) No unexplained cash accumulation independently. (iii) Negative peak confirmed.
4	Shantilal Mishrimal Sanghvi	"SMS" and "SMS Flat A/c" (Annexure A-12)	(i) Cash transactions sourced from Shri Prakash Sanghvi's income. (ii) No independent unexplained receipt. (iii) Consistency with earlier years.
5	Yashkumar Shantilal Sanghvi	"Yash Flat A/c" (Annexure A-12)	(i) Entries reflect cash applications, not receipts. (ii) Funds sourced from taxed income of Shri Prakash Sanghvi. (iii) Negative peak working proved.

6. The Departmental Representative (SR) on the other hand relied on the order of AO.

7. We have carefully considered the rival submissions, perused the material available on record including the detailed paper books filed by the assesseees, and duly noted the reasoning adopted by the lower authorities. The background facts are not in dispute. A search and seizure operation under section 132 of the Act was conducted on 23.11.2021 at the residence and office premises of Shri Prakash M. Sanghvi and his family members. During the search, various documents and diaries (marked as Annexures A-1 to A-12) were found and seized. These seized materials, as clearly recorded by the AO, reflected business transactions including cash flows over Financial Years 2009-10 to 2020-21 (relevant to A.Ys. 2010-11 to 2021-22). On the basis of the entries recorded in the said seized documents, assessments were framed by the AO in the case of Shri Prakash Sanghvi as well as in the cases of his family members including the present assesseees. Additions under sections 69A and 69C r.w.s. 115BBE were made based on entries allegedly evidencing unaccounted cash receipts, payments or investments. However, the assesseees demonstrated before the Learned CIT(A) that the entries recorded in the diaries – namely "JMS", "Ravi Paras", "PMS", "SMS", "Yash Flat A/c", etc. – merely reflected cash flows emanating from Shri Prakash Sanghvi and not independent unexplained receipts or income earned by the respective assesseees. It was further submitted that in prior years (A.Ys. 2012-13 to 2020-21), similar entries had been subjected to verification, but no independent additions were made in the hands of the present assesseees. The Learned CIT(A), after a detailed examination, agreed with the assesseees' submissions

and deleted the impugned additions in each of the appeals before us. In doing so, the CIT(A) also observed that the seized materials clearly recorded cash movements and applications sourced from Shri Prakash Sanghvi's unaccounted income, and that the source stood duly explained and taxed in the hands of Shri Prakash Sanghvi.

7.1. It is pertinent to note that the Coordinate Bench in the case of Shri Prakash Misrimal Sanghvi (ITA No. 1138/Ahd/2024, order dated 18.02.2025) has already adjudicated upon the same set of seized documents (Annexures A-1 to A-12) and determined the total unaccounted income assessable in the hands of Shri Prakash Sanghvi at Rs. 189,84,89,407/-. The order of the Coordinate Bench comprehensively considered all types of transactions – loans ("Vyaj Khaate"), profits from land dealings, share transactions, and other businesses – and confirmed cumulative additions across A.Ys. 2013-14 to 2021-22. In support, the assessee placed before us a tabulated chart (Paper Book Page No. 141) summarising the year-wise additions confirmed in the case of Shri Prakash Sanghvi, which reads as under:

A.Y.	Shree Vyaj Khaate	Profit from Land Trading	Profit from Shares Trading	Profit from Other Trading	Peak Credit	Total Additions (Rs.)
2013-14	11,36,95,718	2,30,04,974	50,68,000	2,08,23,774	76,35,340	17,02,27,806
2014-15	11,74,22,532	2,02,06,392	-	1,57,82,973	-	15,34,11,897
2015-16	9,86,19,719	7,57,73,290	3,82,30,940	2,03,27,194	-	23,29,51,144
2016-17	12,74,71,228	3,89,20,305	3,52,03,458	1,35,27,864	-	20,28,02,508
2017-18	10,67,07,386	4,38,64,244	4,05,97,418	1,16,33,461	-	20,28,02,508
2018-19	11,38,48,655	3,25,41,873	2,97,33,166	93,58,550	-	18,54,82,244

2019-20	12,07,43,303	5,16,80,239	39,14,800	-	-	19,25,14,857
2020-21	18,12,08,711	5,93,82,971	2,90,13,801	2,09,20,859	-	29,05,26,342
2021-22	12,36,99,898	6,55,75,117	3,16,62,994	3,46,28,745	-	25,55,66,754
Total	1,10,34,17,150	41,09,31,405	21,34,24,576	16,30,80,936	76,35,340	1,89,84,89,407

7.2. Thus, it stands clearly established that the entirety of the unaccounted cash flows emanating from the seized diaries has already been duly taxed in Shri Prakash Sanghvi's hands. In light of this, the attempt to tax the same cash flow again in the hands of the present assesseees would amount to double taxation, which is impermissible in law. It is further relevant to record that the Co-ordinate Bench, in the case of Shri Prakash Misrimal Sanghvi, vide order dated 18.02.2025 in ITA No. 1138/Ahd/2024, has categorically held in paragraph 32 that the entirety of cash transactions recorded in the seized diaries and loose sheets (marked Annexures A-1 to A-12) were duly subjected to assessment as undisclosed income in the hands of Shri Prakash Sanghvi. The Tribunal observed that the materials seized during search proceedings did not suggest any independent unexplained cash transactions in the hands of other family members, including the present assesseees. The Tribunal further noted that all the cash flows, reflected in the seized documents, were related to the unaccounted business activities of Shri Prakash Sanghvi, and had already been brought to tax in his case.

7.3. Further, in paragraph 33, the Hon'ble Co-ordinate Bench recorded that in the cases of other family members, including those who are the assesseees before us, the nature of transactions reflected in the seized materials pertained to applications of funds and intra-family adjustments emanating from the business activities of Shri Prakash Sanghvi. The Co-ordinate Bench

conclusively held that no independent or unexplained cash receipt or investment was attributable to the present assesseees and therefore, any addition in their hands on the same set of facts would amount to double taxation of the same source of income already taxed in Shri Prakash Sanghvi's hands.

7.4. Thus, in view of the categorical findings of the Co-ordinate Bench, it stands amply demonstrated that the cash flows recorded in the seized materials were comprehensively taxed in the case of Shri Prakash Sanghvi, and the alleged additions made in the hands of the present assesseees under sections 69A and 69C r.w.s. 115BBE of the Act were unwarranted. The orders passed by the learned CIT(A) deleting the additions are thus fully in consonance with the binding findings of the Co-ordinate Bench and call for no interference.

7.5. Nevertheless, purely by way of abundant caution, and to avoid any scope of controversy, we deem it just and proper to remit the limited issue back to the AO, for the restricted purpose of verification. The AO shall verify the following:

- Whether the entries recorded in the ledgers ("JMS", "Ravi Paras Baroda", "Ravi Startup", "PMS", "Pawanbhai", "SMS", "SMS Flat", "Yash Flat A/c") pertain to the cash flow already considered and assessed in Shri Prakash Sanghvi's case.
- Whether the concerned cash receipts/applications are subsumed within the additions confirmed by the order of Co-ordinate Bench dated 18.02.2025.
- That there exists no unexplained surplus outside the taxed cash flow.

7.6. It is made abundantly clear that the AO shall not make any fresh additions in the hands of the assessee, the AO's jurisdiction is strictly limited to verification and if the cash flow entries stand verified, the CIT(A)'s deletion of additions shall stand affirmed without any further action. The verification exercise shall be completed within a period of Two months from the receipt of this order.

8. In view of the above discussions, all the five appeals filed by the Revenue are dismissed, subject to limited verification as directed above.

Order pronounced in the Open Court on 22 April, 2025 at Ahmedabad.

**Sd/-
(SUCHITRA KAMBLE)
JUDICIAL MEMBER**

**Sd/-
(MAKARAND V. MAHADEOKAR)
ACCOUNTANT MEMBER**

अहमदाबाद/Ahmedabad, दिनांक/Dated 22/04/2025

टी. सी. नायर, व. नि. स. / T.C. NAIR, Sr. PS

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-11, Ahmedabad
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण , राजोकट/DR,ITAT, Ahmedabad,
6. गार्ड फाईल /Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण, ITAT, Ahmedabad