



आयकर अपीलिय अधिकरण, राजकोट न्यायपीठ, राजकोट।

**IN THE INCOME TAX APPELLATE TRIBUNAL,**

**RAJKOT BENCH: RAJKOT**

**BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER**

**And**

**SHRI DINESH MOHAN SINHA, JUDICIAL MEMBER**

आयकर अपील सं./ITA No. 248 & 249/RJT/2022

(निर्धारण वर्ष/Assessment Year: (2018-19 & 2019-20))

Deputy Commissioner of Income Tax, Central circle- 2, Rajkot, "Amruta Estate", 2nd Floor, MG Road, Rajko-360 001	<b>Vs.</b>	Chetan Nandlal Sangani 309, Shalin Complex, Madhavi Chowk, Soni Bazar, Rajkot-360 001
स्थायी लेखा सं./जीआइआरसं./PAN/GIR No.: <b>AMVPS 5788 E</b>		
<b>(अपीलार्थी/Appellant)</b>		<b>(प्रत्यर्थी/Respondent)</b>

निर्धारिती की ओर से/Appellant by : Shri Vimal Desai, AR

प्रत्यर्थी ओर से/Respondent by : Shri Sanjay Punglia, CIT-DR

सुनवाई की तारीख/ **Date of Hearing** : **07/05/2025**

घोषणा की तारीख/ **Date of Pronouncement** : **23/06/2025**

**आदेश / ORDER**

**Per Bench:**

Captioned two appeals filed by the Revenue, pertaining to Assessment Years (AYs) 2018-19 & 2019-20, are directed against the separate orders passed by the Learned Commissioner of Income Tax (Appeals)-11, Ahmedabad [in short, "the Ld. CIT (A)"], which in turn arose out of separate assessment orders



passed by the Assessing Officer, under section 153A of the Income Tax Act, 1961 (hereinafter referred to as 'the Act').

2. Since, the issues involved in both the appeals are common and identical; therefore, these appeals have been heard together and are being disposed of by this consolidated order. For the sake of convenience, the grounds as well as the facts narrated in ITA No: 248/Rjt/2022, for assessment year (AY) 2018-19, have been taken into consideration for deciding the above appeals *en masse*.

3. The Grounds of appeal raised by the Revenue, in lead case in ITA No: 248/Rjt/2022, for assessment year (AY) 2018-19 are as follows:

*1. On the facts and on the circumstances of the case and in law, Ld. CIT(A) erred in considering the facts of the case, and ignoring that, the addition of Rs. 10,01,45,000/- were made on the basis of unexplained sales found from EmmEss-Gold software maintained by V.K. Group during the course of survey action carried out by the investigation wing. [Note: For A.Y. 2019-20, in ITA No.249/RJT/2022 the addition is at Rs.2,62,10,100/-]*

*2. On the facts and in the circumstances of the case and in law, Ld. CIT(A) erred in ignoring the facts that during the course of search, digital data were found & seized having record of whole accounted as well unaccounted transaction. i.e., Gold purchase/ sale & in/out of Gold bar in the digital form, on which the assessing officer has relied upon.*

*3. assessing officer on the facts and in the circumstances of the case and in law, has duly investigated and applied his mind on the report of the DDIT, Investigation wing and after satisfying himself made assessment on the basis of cogent material and relevant evidence on record.*

*4. On the facts and in the circumstances of the case and in law, Ld. CIT(A) erred in ignoring the facts that during the course of assessment proceedings, assessee admitted such unaccounted sales and request to estimate the profit on such unaccounted transaction adopting GP/NP ratio of average of last three years.*

*5. Ld. CIT(A) has misrepresented the facts of the case with V.K. Jewellers, where the relevant data have been accounted, however, the same has not been recorded in the books of account of the assessee.*

*6. The assessee prays that the order of the Ld. CIT(A) on the above ground be set aside and the addition made in the assessment order may kindly be restored.*



4. The relevant material facts, as culled out from the material on record, are as follows. The assessee had filed his return of income for the year under consideration on 31.10.2018, declaring total income at Rs.26,49,610/-. The assessee has mainly shown, the income from business of manufacturing and trading of gold jewellery, trading in gold/ silver bullion. The survey action under section 133A of the Income Tax Act, 1961, was conducted on dated 16-01-2018, at the office premises of assessee. During the course of survey action, apart from the loose papers, cash of Rs.45,66,920/- (Rupees forty five lakhs sixty six thousand nine hundred twenty only), was found and out of that excess cash of Rs.39,20,760/-, was found from the cash on hand, in the books of account of the assessee. Therefore, the Survey action u/s 133A of the Act, was converted into search action u/s 132 of the Income Tax Act, 1961, and warrant of authorization u/s 132 of the Act was issued by the Principal Director of Income Tax(Inv.) Ahmedabad, dated 18.01.2020. The excess cash found was seized. Accordingly, in the case of assessee, assessment proceeding was initiated u/s 153A of the Act, by issuing notice, dated 16.02.2021. The assessee was asked to file his return of income, within 07 days from the date of receipt of the notice, as required u/s 153A of the Act. In response to this notice, the assessee has filed his return of income, on 02/03/2021, declaring total income at Rs. 26,49,610/-. In his return filed u/s 153A, the assessee has shown income from business of manufacturing and trading of gold jewellery, trading in gold/silver bullion. Further, notice u/s 143(2) was issued on 23/03/2021.

5. The assessing officer observed that during the course of search proceeding, the incriminating material, in the form of digital data and certain loose papers were found and seized. After analysing the seized data, the



assessing officer noticed certain discrepancies which were mentioned by the assessing officer in following chart:

Annexure No.	Page No. / Paragraph No.	Unaccounted sales	Unaccounted purchase	Cash Receipts / gold bullion receipt	A.Y.
A-5	5	-	-	2135540	2020-21
	6	3499190	-	-	2020-21
	7	-	-	147940	2020-21
	8, 9 & 10	-	1235197	-	2020-21



	11	-	-	30002	2020-21
	12 & 13	-	740506	-	2020-21
	14	-	59951	-	2020-21
Digital Data i.e. from the Mobile 1 plus 3 found from the assessee Sh. Chetan N Sangani	3.3 (Page 1)	3734599		-	
	3.3(Page 3)	787640		-	
	3.3(Page 4)	1186000		-	2017-18
	3.3(Page 5)	394000	393900	-	
Unaccounted Cash seizure	Para-4	-	-	3920754	2020-21
Unexplained sales as found from EmmEss software maintained by VK group	Para-5	26210100		-	2019-20
		100145000		-	2018-19
	Para-5(B)	2015500		-	2020-21
	Para-5(B)	2800100		-	2020-21
	Total	14,07,72,129	24,29,554	62,34,236	



6. During the course of assessment proceedings, the assessing officer issued notice under section 142(1) of the Act, along with detailed questionnaire, which is reproduced by the assessing officer, in the assessment order, vide, page number 4 to 31.

7. In response to the above notice of the assessing officer, the assessee submitted its reply, before the assessing officer, which is reproduced below:

*“With reference to the ongoing assessment proceedings u/s, 153A r.w.s. 143, we submit the following*

*(1) Copies of Bank Statements, are being submitted online.*

*(2) In continuation to our earlier submission, with respect to various amounts proposed for addition in the SCN dtd. 06.09.2021, we further submit the following for your kind and sympathetic consideration:*

*a. Regarding the proposed addition towards unaccounted purchases of Rs.12,35,197/-and Rs.7,40,506/-: Without prejudice to our stand that those weighing slips do not refer to any transaction of sale and or purchase, unaccounted; it is requested to be considered that we have weighing instruments in our shop, so at the time of buying we do not need any third party weighing. It is when the customers, buy it from us, we sometimes have to allow them to get it weighed from third parties, because they want it to be double checked. Hence, even if it is assumed (not admitted) that those weighing slips refer to any unaccounted transactions, then also, in any contingent event, those transactions may be "sales" and not purchases".*

*b. Regarding the Transaction with VK Group: Though we have already contested and denied any unaccounted transactions with V K Group. However, even if it is assumed (not admitted) that the abstract figures are to be seen as unaccounted sales then also the settled position of law is that the sales amounts itself is not regarded as income liable to be taxed, and only the Net Profit Component is liable to be taxed. Therefore, at the max, (though not admitted), in any contingent event, only the net profit as have been consistently reflected in regularly maintained books of accounts, should be considered for arriving at income component.*

*Also, it is prayed to consider, alternatively, that the details found from the premises of V K Group, do not fall within purview of sec. 132(4A), as whatever was found, was not in during the "course of search", and accordingly the presumption u/s. 132(4A) is not applicable.*

*c. Regarding the allegation of unaccounted/unexplained purchases in consequence of Transaction with VK Group. Though there is no mention in the summarized table given in the SCN, but there is a mention of disallowance u/s 40A(3) on Pg. 34 towards consequential purchases. In this behalf it is submitted that:*



*i. No Documentary evidence of unaccounted purchase are found from our premises. On the contrary, a shortage of stock as compared to book stock, is found. Had there been a case of any unaccounted purchases, then unaccounted i.e., excess stock, ought to have been found.*

*ii. No Documentary evidence of Unaccounted Sale to V K Group, is found from our premises. And as such there is no incriminating material as contemplated u/s. 153A, seized during the course of search.*

*iii. Even the V K Group has denied of having done any unaccounted transactions with us. Therefore, the interpretation of the details purportedly found from V K Group, that they refer to unaccounted transactions, are based only on a guess work.*

*iv. If the department chooses to treat the said amounts as our unaccounted sale, then, it would result into unimaginable quantum of demand, which will hang over the assessee, during entire tenure of appellate proceedings. Therefore, it in order to save from thrust upon litigations and draconian demands, a prudent businessman would be ready to bear a reasonable amount computed on estimated basis. On this ground and logic, it is humbly prayed that, at the max. in any contingent event, what may be added is only the net profit element.*

*v. Further, when no specific allowance towards any purchases are being granted the question of any allowance u/s. 40A(3) would not arise. No disallowances are warranted when net income is estimated on the above logic and contention.*

*d. Regarding the Cash Seized: It is alleged that the Cash Seized represents unexplained money. We have already contested and denied the same. However, even if it is assumed (not admitted) that the said amount is not being substantiated as sale proceeds from regular business, then also, in any contingent event, the quantum of cash seized to the extent of any other addition being made/proposed should be taken as explained from the other additions being made and/or proposed, because of, "no other unaccounted" money or asset found.*

*e. Regarding various additions proposed based on dumb documents: The additions proposed on the basis of Dump documents, which are apparently in the nature of rough scribbling, without any heading or other references, inconsistent and referring to nothing, we humbly reiterate our prayer that no addition need be made on account of such dumb documents. We invite your kind attention to the decisions of Hon'ble High Courts on similar issues.*

- *Hon'ble Delhi High Court in the case of Girish Chaudhary 163 Taxman 608 held "there is no basis as to how, assessing officer came to conclusion that 48 was Rs.48 lacs. There is no material to support such finding of assessing officer Dumb document. Addition deleted."*



- *Hon'ble Gujarat High Court in the case of CIT Vs. Maulikkumar K. Shah 307 ITR 137 held that "Held, dismissing the appeal, that from the beginning the assessee was stating that the notings appearing in the diary were rough estimates and estimation was made for submission to the bank for obtaining a loan from the bank. The inference of the Assessing Officer that the assessee had received on money. i.e., the differential amount as shown in the seized diary and the books of account, was merely based on suspicion and surmises and there was no material to support the conclusion of the Assessing Officer that the assessee had in fact received any on money. The Assessing Officer had no evidence with him to support his conclusion. The assessee had worked out the floor-wise rate of the shop on the seized paper but it was not possible that every shop could be sold at that price and while selling the shops, many purchasers may pay advance money. Therefore, the rates of all the shops at the time of actual sales could not be the same as estimated in the seized paper. The amount mentioned alongwith rates per square foot of different floors on the loose paper was in respect of an estimate for the loan from the bank. No other evidence had been shown to justify that these amounts were received from purchasers. The concurrent finding was that on the basis of these loose papers, no addition was justified. Thus, there was no interference called for in the order of the Tribunal."*

*(3) We reiterate our Prayer for granting us copy of details purportedly found from V K Group, and prayer to grant us cross-examination of the person (from V K Group) who maintained or originated the said details. And we also rely on decision of Hon'ble Supreme court in the case of Kishanchand Chelaram 125 ITR 713, where held that "evidence collected at the back of the assessee has to be confronted to the assessee to give him opportunity to rebut the evidence, otherwise, same is not admissible."*

*(4) Out of the AYs covered u/s. 153A and relevant AY, the seized incriminating material is only pertaining to the AY 2020-21. Hence, the details for other AYs may please be exempted. However, in case your goodself, inclines otherwise, then an opportunity of being heard in this behalf, and opportunity of submitting the details for other AYs, may please be granted to us."*

8. However, the assessing officer rejected the contention of the assessee and observed that all the loose paper found and seized from the assessee's premises belongs to him. The assessee furnished reply on the entries of loose papers and other incriminating materials, like digital data etc. The assessee has not furnished any cogent reply except denying the transactions as unaccounted. The assessee was also asked to furnish the detailed



explanation, regarding unaccounted sales made to M/s. V. K. Group. There was a survey action which was carried out on three premises of V. K. group on 16.01.2020 and simultaneously with the assessee. During the survey proceeding, digital data was found and impounded from the premises of V. K. group (three concerns M/s. Vijay Enterprise, M/s. Hiren Enterprise and M/s. V K jewels Pvt. Ltd.). On analysis of digital data found from the business premise of V.K. Group, it was noticed by the assessing officer that the assessee was using "EmmEss-Gold" Software, in which certain incriminating data relating to unaccounted gold bullion purchases made by V. K. group had been found, which revealed that the V.K. Group had purchased unaccounted gold bullion from Chetan Art Jewellers, during FY 2017-18 and 2018-19. Therefore, the data found from V. K. Group, clearly establishes that assessee had unaccounted transaction with VK Group. The assessing officer also noticed that assessee himself admitted such unaccounted sale by requesting to estimate the profit on such unaccounted transactions adopting GP/NP ratio of average of last three years, therefore the above discussed transaction is assessed unaccounted transactions.

Annexure No.	Page No./ Paragraph No	Unaccounted sales	AY
Unexplained sales as found from EmmEss software maintained by VK group	Para-5	10,01,45,000	2020-21
	Total	10,01,45,000	

In view of the above discussion, Rs. 10,01,45,000/- was added to the total income of the assessee u/s 69 of the Act, on account of investment in purchase of Gold from undisclosed source.



9. Aggrieved by the order of the assessing officer, the assessee, carried the matter, in appeal, before the Ld. CIT(A), who has allowed the appeal of the assessee, observing as follows:

*“6.1 I have perused the assessment order and submission filed by the assessee. On perusal of the assessment order, it is observed that during the course of Survey u/s 133A of the Act in case of VK Group entities EmmEss-Gold software was found and in the said software, the details of purchases made by the entities of V. K. Group from the assessee were mentioned. It was interpreted by the assessing officer that the entries represented by '1' therein reflected purchase of 1 Kg. Gold by the entities of V. K. Group from the assessee. On this basis, unaccounted sale by the assessee to V. K. Group was worked out and the same was quantified at Rs.10,01,45,000/- for the year under consideration. Therefore, the A.O. had made addition of Rs.10,01,45,000/- on the ground of undisclosed sales represented by investment in unaccounted purchases of gold from undisclosed sources to the total income of the assessee while passing the assessment order u/s 153A of the Act dated 23.09.2021.*

*6.2 It is further observed that the assessee in his submission specifically pleaded that the same assessing officer while framing assessment order in case of entities of V. K. Group subsequently examined the software (EmmEss-Gold) in depth and corrected the error of interpretation and also found that the entries recorded in the said software were accounted entries in the books of account. Therefore, no addition was made by the same assessing officer in respect of purchases made by V. K. Group from the assessee. For verification of the claim of the assessee, this office had written a letter to the assessing officer vide letter dated 22.07.2022, with a request to submit a factual report in respect of the claim of the assessee.*

*6.3 In response to the said letter, the assessing officer vide letter no. ACIT/CC-2/RJT/Factual Report/CNS/2022-23/267 dated 03.08.2022, has submitted his factual report, which is, reproduced as under:*



कार्यालय  
Office of the  
अध्यक्ष उपायुक्त, केन्द्रीय सर्किल-2  
Deputy Commissioner of Income Tax, Central Circle- 2,  
"अमृताएस्टेट", दूसरीमंजिल, एम जी रोड, राजकोट  
"Amruta Estate", 2<sup>nd</sup> Floor, M.G. Road, Rajkot.  
फोन/फैक्स नं./Phone (Fax) No. - (0281) 2472559  
ई-मेल-rajkot.dit.cen@incometax.gov.in

No. ACIT/CC-2/RJT/Factual Report/CNS/2022-23 /267 Date: 03.08.2022

To,  
Commissioner of Income-tax (Appeals)-11,  
Ahmedabad.


Respected Sir,

**Subject: Appeal in the case of Shri Chetan Nandlal Sangani (PAN-AMVPS5788E) against order passed u/s. 153A of the I T Act for A.Y. 2018-19 & 2019-20- reg.**

**Ref: No. CIT(A)-11/Ahd/Factual Report/ CNS/2022-23 dated 22/07/2022.**

Kindly refer to the above.

2. with reference to the above, it is to state that during the course of assessment proceedings in the case of V K Group, it is noticed that the assessee i.e. V K Group receive fine gold from clients and such fine gold is either sourced directly by the parties in quantity or the parties instruct the assessee to purchase the same from local market. Wherever fine gold is directly sourced, the same is duly reflected in the EmmEss Software as 'fine gold received'. Wherever the same is purchased Chetan Art Jewellers, the same is duly reflected in the regular books of accounts and the payment has been made through bank. Hence, no adverse inference is drawn. It is further seen from the EmmEss data that, when fine gold is received or purchased, the same is entered as '1' in the software. According to the Survey report, the figure '1' represent one kg of gold and it was proposed that these are unaccounted purchases of the assessee. However, when this was verified, it was found that, in the said software there is one more module, and when such module is further entered the weight is mentioned along with the name of the party from whom the bullion is sourced. The name and the quantity tallied with the regular books of accounts. Hence, no adverse inference is drawn and no addition has been made on account of unaccounted purchase of gold from the appellant.

Yours faithfully,  
  
(Adarsh Tiwari)  
Deputy Commissioner of Income tax,  
Central Circle-2, Rajkot.

6.4 In the above said factual report dated 03.08. 2022, the assessing officer has reported that no addition has been made on account of unaccounted purchase of gold from the assessee in the case of entities of V. K. Group because on verification of the said EmmEss software, it is found that the name and the quantity tallied with the regular books of accounts. Further, it is important to mention here that during the course of assessment proceeding in case of the assessee, the assessing officer had made the addition on the basis of interpretation that the entries written as '1' in the EmmEss-Gold software found from the premises of V. K. Group during survey in their case represented purchase of 1 Kg gold by entities of VK Group from the assessee. On this basis, the addition of unaccounted sales by the assessee to the entities of V K Group was worked out and the addition thereof was made. However the same assessing officer while framing the assessment order in case of entities of V. K. Group subsequently, examined the said software and found that the entries written as '1' in the said



*software only reflected inward voucher type and it did not reflect purchase of 1Kg of gold. It was also observed by the assessing officer that in the said software there was one more module and when such module is entered the weight of gold purchase alongwith name of party was duly mentioned. These particulars were matched with the books of accounts and they were found to be matching. The assessee has also submitted the copy of account of entities of V K Group from his books and contra accounts from the books of entities of V K Group. These accounts are matching and tallied. These facts together automatically lead to conclusion that there is no unaccounted sale by the assessee to the entities of V. K. Group. The entire addition was the result of incorrect interpretation of the EmmEss software and such incorrect interpretation was corrected by the assessing officer himself while framing assessments of V. K. Group. Thus, in view of specific factual report of the A.O. himself as reproduced hereinbefore, the entire addition of Rs.10,01,45,000/- deserves to be deleted. In view of the deletion of addition on the basis of the above factual report of the A.O. himself, the other contentions of the assessee are not required to be dealt with separately.*

*6.5 In view of the above discussion and factual matrix of the case, the assessing officer is directed to delete the addition of Rs. 10,01,45,000/- made to the total income of the assessee. Thus, grounds of appeal **no. 3 & 4 are allowed.**”*

10. Aggrieved by the order of the Ld. CIT(A), the Revenue is in appeal before this Tribunal.

11. The Ld. CIT-DR for the revenue submitted that the remand report was not taken in the assessee's case under consideration, and it was taken in other assessee's case, therefore, the addition deleted by the Ld CIT(A), based on the remand report is not acceptable. Besides the assessing officer, who gave the remand report was not technically competent to examine the technical software 'EmmEss-Gold', therefore, while giving report, the assessing officer ought to have taken help from the expert of the software, and report of the expert software has to be considered, by the assessing officer, which the assessing officer has failed to do so, therefore, remand report is actually wrong. Therefore, examination of the software by the assessing officer and furnishing, the demand report, after examination of Software is not acceptable because assessing officer is not technically competent to do so.



Therefore, report furnished by the assessing officer should not be believed by the ld. CIT(A).

12. On the other hand, the Ld. Counsel of the assessee submitted that the addition was deleted based on the remand report and after necessary enquiry. Therefore, order passed by the Ld. CIT(A) should be upheld.

13. We have heard both the parties and perused the material available on record. We note that assessee is an individual engaged in the business of trading in gold and silver bullion under his proprietary namely M/s. Chetan Art Jewellers. The assessee filed his original return of income u/s. 139 of the Act for A. Y. 2018-19, on 31.10.2018, declaring the total income at Rs. 29,38,430/-. There was a survey u/s 133A of the Act, carried out at the business premises of the assessee on 16.01.2020, during the course of which several loose papers and excess cash of Rs. 39,20,760/- were found. **Therefore, the survey action was converted in search u/s 132 of the Act, vide warrant of authorization dated 18.01.2020. Accordingly, the assessment proceedings were initiated u/s 153A for A.Ys. 2014-15 to 2019-20 and u/s. 143(3) for A. Y. 2020-21.** In response to the notice u/s 153A of the Act, the assessee filed his return of income for A. Y. 2018-19 on 02.03.2021, declaring total income at Rs. 26,49,610/-. Simultaneously, there was a survey u/s. 133A of the Act, carried out on 16.01.2020, in case of one V. K. Group during the course of which certain digital data from, the software 'EmmEss-Gold' was extracted and impounded by the Income Tax Department. The relevant digital data contained the details of gold purchase with all the entries marked as '1' along with cumulative balance on different dates. During the course or assessment proceedings, the assessing officer proposed addition of Rs.10,01,45,000/- on account of alleged unaccounted



sale on the basis of alleged incriminating materials from the software 'EmmEss-Gold' during the course of survey in case of a third-party named, as V. K. Group. We find that in response to the notice issued by the assessing officer, the assessee vide two replies filed during the course of assessment proceedings submitted that there were no unaccounted sale transaction with the said V. K. Group carried out by him and the alleged incriminating material was not found during the course of search u/s.132 in case of the assessee. It was also submitted by the assessee that the V.K. Groups also did not accept that the impugned material found from them referred to any unaccounted transactions with the assessee. The assessee also requested for copy of entire impounded materials found during the search action in V. K. Group instead of the extracts date there from, and the assessee also sought an opportunity of cross-examination of the authorized person of the V. K. Group. Alternatively, it was submitted that the addition of total income, if any, can be made only to the extent of profit embedded in such alleged unaccounted sales.

14. We note that the statement of Shri Hiren Kotak, key person of V. K. Group was recorded by the Income Tax Department on 12.03.2020 wherein he clearly stated and explained as under:

*“ It was explained in Q-A No. 29 that majority of the gold purchases mentioned in the 'EmmEss-Gold' Software were recorded in the books of accounts of their three concerns. Please refer Page No. 17-18 of the assessment order.*

*It was explained in Q-A No. 40 & 41 that entries written as '1/2' against the names of J. K. Sons and Chetan Art Jewellers in the EmmEss Software only indicate inward of the goods from the said parties mentioned in the sheet and the same is not in terms of quantity. Please refer Page No. 18-19 of the assessment order.”*



Thus, the author of the materials from whose possession the same was found clearly explained that the entries written as '1/2' against the name of the assessee in the said 'EmmEss-Gold' software represented inward entries (and not quantity) of goods received from the assessee and that the said transactions were recorded in their books of accounts.

15. Accordingly, the assessee inquired about the matter with the V. K. Group and it is given to understand that the successor A.O., while framing the assessment in case of entities of V. K. Group, examined the 'EmmEss-Gold' software in depth and thereafter, accepted the submission of the V. K. Group that the entries written as '1/2' in the 'EmmEss-Gold' software represented inward entries only and the same did not represent any quantity. Thus, when no addition was made on account of unaccounted purchases in case of V. K. Group who is the author of alleged incriminating material in digital form, there remains no basis whatsoever to sustain any addition on account of alleged unaccounted sales in the hands of the assessee, more particularly, when no incriminating material was found during the search in case of the assessee. Based on these facts and circumstances, we dismiss the appeal of the revenue.

16. In the result, Revenue's appeal ITA No.248/RJT/2022 is dismissed.

17. Since the facts and circumstances in the case of ITA No.249/RJT/2022, for AY 2019-20, is identical and same as those in the appeal of the Revenue, in ITA No.248/RJT/2022, therefore, our decision in the case of ITA



No.248/RJT/2022, for AY 2018-19, shall apply *mutatis mutandis* in the appeal of the Revenue in ITA No.249/RJT/2022, also.

18. In the combined result, both the appeals of the revenue are dismissed.

**Order pronounced in the open court on 23/06/2025.**

**Sd/-**  
**(DR.ARJUNLAL SAINI)**  
लेखा सदस्य/**ACCOUNTANT MEMBER.**

**Sd/-**  
**(DINESH MOHAN SINHA)**  
न्यायिक सदस्य/**JUDICIAL MEMBER**

राजकोट/Rajkot

**(True Copy)**

दिनांक/ Date: 23/06/2025

आदेश की प्रतिलिपि अत्रेषित/ Copy of the order forwarded to :

- अपीलार्थी/ The Appellant
- प्रत्यर्थी/ The Respondent
- आयकर आयुक्त/ CIT
- आयकर आयुक्त(अपील)/ The CIT(A)
- विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, राजकोट/ DR, ITAT, RAJKOT
- गार्डफाईल/ Guard File

By Order

Assistant Registrar/Sr. PS/PS  
ITAT, Rajkot