

**IN THE INCOME TAX APPELLATE TRIBUNAL 'E' BENCH  
MUMBAI**

**BEFORE: SHRI AMIT SHUKLA, JUDICIAL MEMBER  
&  
SHRI ARUN KHODPIA, ACCOUNTANT MEMBER**

ITA No.	A.Y
<b>3213/Mum/2025</b>	<b>2012-13</b>
<b>CO No.171/Mum/2025 Arising out of 3926/Mum/2025</b>	<b>2020-21</b>

EI Resorts & Clubs Pvt Ltd 4 <sup>th</sup> Floor, 139, Seksaria Chambers, Nagindas Master Road, Fort Mumbai – 400 001	Vs.	DCIT, CC-8(1), Mumbai
<b>PAN/GIR No. AAACS6845A</b>		
<b>(Appellant)</b>	..	<b>(Respondent)</b>

**ITA No. 3886/Mum/2025 & 3926/Mum/2025  
(Assessment Year: 2012-13 & 2020-21)**

DCIT, CC-8(1), Mumbai	Vs.	EI Resorts & Clubs Pvt Ltd 4 <sup>th</sup> Floor, 139, Seksaria Chambers, Nagindas Master Road, Fort Mumbai – 400 001
<b>PAN/GIR No. AAACS6845A</b>		
<b>(Appellant)</b>	..	<b>(Respondent)</b>

Assessee by	Shri Madhur Agrawal, Adv. & Shri Pankaj Jain, CA
Revenue by	Shri Ritesh Misra, CIT DR
<b>Date of Hearing</b>	<b>19/08/2025</b>
<b>Date of Pronouncement</b>	<b>28/10/2025</b>

**आदेश / O R D E R****PER BENCH:**

The present batch of appeals emanates from a series of assessment and reassessment orders passed pursuant to search and survey operations conducted in the group cases of The Estate Investment Company Pvt. Ltd.[Estate] and its connected entities., [hereinafter referred to as the Sakseria Group of Companies ] The appeals have been filed against separate order passed by Id. CIT(A)-50, Mumbai. Since the core issues, factual substratum, and legal contentions are substantially common across these years, therefore, are clubbed together and are being disposed of by this consolidated order. The appeals traverse multiple assessment years i.e AY 2012-13 and AY 2020-21, and involve both the assesseees as well as the Revenue, each aggrieved in part by the respective orders of the learned Commissioner of Income Tax (Appeals)-50, Mumbai. For the sake of convenience, the appeal for the A.Y.2012-13 i.e. ITA No. 3213/Mum/2025 of EI Resorts & Clubs Pvt Ltd is taken up first as lead matter and most of our finding given herein will apply *mutatis mutandis* in the appeals for other assesses in the Sakseria Group for the other assessment years also. This appeal arises against order of Id. CIT(A) dated 07/03/2025.

**Finding of the Assessing Officer**

2. The controversy, in essence, centers upon additions made on the basis of certain excel sheets found during the course of search, the evidentiary worth of the statements recorded

under section 132(4), and the consequential additions of unexplained investments under section 69A/69B of the Act.

1. Brief facts as culled out from the records are that the assessee is a part of the Sakseria Group of Companies. Assessee is a private limited company incorporated especially for acquisition of land in and around Kolgaon. The Company has been aggregating land parcels in and around **Kolgaon** for over a decade.

2. On 7th October, 2021, the Investigation Wing of the Department conducted a search and survey action under section 132 of the Act at the premises of the the Sakseria Group of Companies which included the assessee situated on the 4th Floor of Seksaria Chambers, Nagindas Master Road, Fort, Mumbai. The search extended over multiple days and encompassed various group entities and individuals associated with the Seksaria Group and their business concerns. During the course of the operation, certain Excel-based management information sheets were found and seized. These documents, according to the Department, contained notings suggestive of cash investment for acquisition of land at Kolgaon. Statements of Mr. Nandkumar Kudilal Seksaria (NKS), and Mr. Tarun Sekseria (TNS) were recorded contemporaneously and in the days following the search, forming the bedrock of the Assessing Officer's inference regarding unaccounted income in the case of Assessee.

3. In the case of Assessee, the Assessing Officer drawing primarily upon these excel statements which were found and

seized on 07/10/2021 and based on the statements of TNS and NKS made additions under section 69A/69B

4. The statements recorded during the course of the search are as under:

Sr. No.	Deponent	Statement Recorded at	Statement dated	Q.Nos
1	Tarun Nandkumar Seksaria (TNS)	Sakseria building, Marine Drive, Mumbai-400020	09.10.2021	Q1-Q 31
2.	Nandkumar Kudilal Seksaria (NKS)	Sakseria Building, nagindas master Road, Mumbai 400001.	11.10.2021	Q.1 to Q.30
3.	Nandkumar Kudilal Seksaria (NKS)	Air India Building, (Income Tax)	04.04.2022	Q.1 to Q.12

4.1 The statement relates to Excel sheets which were recovered from the laptop of Mr.Tarun Sakseria[ TNS] , which indicated notings pertaining to lands situated at Kolgaon, Dhokawade, Agarsure and Dapoli.

4.2. These excel sheets which have been reproduced by the AO and the CIT[A] have the location of land mentioned on the top of these statements indicating whether these relate to Kolgaon, Dhokawade, Agarsure and Dapoli. The sheet also gives details of whether these lands are registered or

unregistered and mentions the areas thereof. There are initials like PDG, and names like Ravi Thorat and SCK Finance. Further on careful perusal of these sheets it is evidently clear that these sheets were prepared by Mr. Pratap Gambhir [PDG] who is the land aggregator and not by the Assessee company.

4.3. The statement of TNS was recorded on each of these excel sheet pertaining to these various land parcels under section 132[4] on 9.10.2021.

4.4. The current appeals concern arises from the statement pertaining to lands at Kolgaon, which are acquired by the Assessee, TNS has stated in response to Q 17 that the amounts mentioned in column 'A' represent amounts paid by Cheque and those against col 'B' represent cash derived from the NOCs granted by Estate for release of interest in lands in Mira, Bhayander and Ghodbunder. He has also mentioned that the quantum of cash generation was not known to him and has to be explained by his father Mr Nandkumar Sakseria

4.5. Thereafter the statement of Mr.Nandkumar Sakseria, who is the main person in charge of the Sakseria Group was recorded under section 134[4]. In Q No 20 he was asked for his comments on the statement of TNS, to which he has stated that he has to verify the facts provided by TNS and sought more time.

4.6. Thereafter, the statement of NKS was recorded post search by the ACIT under Section 131 of the Act at Room No. 2007A, 20th Floor, Air India Building, Nariman Point,

Mumbai-21 on January 4, 2022. In the statement recorded on January 4, 2022, NKS, inter alia, stated as under:

5. In Q11, NKS was asked to comment on the statement of TNS, on the excel statement seized, wherein TNS had stated that cash derived from rights/grants of NOC was deployed for purchase of various land parcels.

In response to the same, NKS stated that *'since Tarun has been suffering from various illness from time to time, to keep him busy, I assigned him with the task of land acquisition in Alibaug. All our land dealings were coordinated by local aggregator Late Pratap Gambhir. **To the best of my knowledge these excel statements are estimates of the cost and profits and projections as prepared by Late Pratap Gambhir**'. As mentioned to your good self above, occasionally some quantity of cash may have come from release of rights in eksali lands and may have been given to Pratap Gambhir'*

6. Both TNS and NKS have retracted their statements vide letters dated 22<sup>nd</sup> December, 2022 & 7<sup>th</sup> February, 2023 and form part of the paper book.

#### **Analysis of the above statements**

7. One crucial point to be noted from the perusal of the statement is that in case of the statement of TNS he has mentioned that although the amounts stated under Col B are cash, the exact quantum of cash will be explained by his father, NKS.

TNS has also explained the source of this cash as being derived from granting of NOCs by Estate.

8. Most importantly, the person in charge of the Group affairs, NKS has categorically denied that the figures in Col 'B "are cash and has mentioned that these are estimates of the costs and profits and projections prepared by Mr.Pratap Gambhir [PDG] and occasionally some cash may have come from release of rights in Eksali land of Estate. NKS in his statement has also mentioned that TNS was suffering from various ailments as was ill and therefore to keep him occupied NKS had asked him to oversee the acquisitions of lands in Alibaug and Dapoli, which include the lands at Kolgaon belonging to the assessee.

9. The retractions of NKS and TNS have been rejected by AO on the ground of delay. The ld. AO, in his elaborate order, narrated that during the course of the search proceedings, multiple diaries and loose sheets were found, each containing cryptic entries in the form of initials, figures, and occasional remarks. These entries, according to the Assessing Officer, chronicled cash investment made by the assessee for acquisition of lands at Kolgaon, On this premise, the Assessing Officer held that the said payment represented unaccounted investment in land and, therefore, treated them as unexplained investment under section 69A/69B of the Act.

10. Based on this reasoning, the Assessing Officer made substantial additions running into several crores, as unexplained under section 69A/69B. These additions were founded almost exclusively on the notings in the excel sheets

found in the laptop of TNS and the statement of TNS under section 1342[4].

10.1. No independent verification was made from the counterparties purportedly reflected in the respective purchase agreement for purchase of Kolgaon land, nor were any corroborative documents or contemporaneous records unearthed to substantiate the alleged cash outflows. The Assessing Officer, nevertheless, inferred a pattern of some stray notings in the diaries found in the case of Estate which purported to be payments to PDG, who was the land aggregator for the Sakseria Group in Alibaug and Dapoli,

10.2. The statement of Mr.Pawan Sharma, who was the accountant of Estate and who has maintained these diaries was retracted On 22<sup>nd</sup> December, 2022 and the statements of TNS and NKS were later retracted on 22<sup>nd</sup> December, 2022 7<sup>th</sup> February,2023 respectively during the assessment proceedings of the assessee.

### **Findings of CIT(A)**

11. When the matter travelled in appeal before the learned Commissioner of Income Tax (Appeals) ["CIT(A)"], the assessee vehemently contested both the factual premise and the legal tenability of the additions. It was submitted that the entire edifice of the assessment rested upon the statement of TNS under section 132[4], which was retracted later. It was further urged that the statements recorded under section 132(4) lacked credibility, as they were subsequently retracted with cogent reasons, and that no corroborative evidence

whatsoever was found during the search neither cash, nor unaccounted assets so as to lend authenticity to the inferences drawn by the Assessing Officer. The assessee also emphasized that in any case the statement of TNS was debunked by the statement of NKS who was in charge of the whole group where he has categorify mentioned that the amounts against 'Col.B' were mere estimation of the increase in the market values of these land parcels which was prepared by PDG, the land aggregator as a MIS statement.

12. The learned CIT(A), after a detailed consideration of the rival submissions and the seized material, partly accepted the assessee's contentions that the AO has erred in quantifying the amount of addition under section 69A/69B, by incorrectly considering the quantum of investment in Kolgaon land and accordingly the CIT(A) recomputed the unaccounted investment in Kolgaon land at Rs.2,58,00,000 as against Rs.13,55,23,303 computed by the AO. The CIT(A) however ignored the fact that the statements of TNS had been debunked by NKS and therefore were contradictory and further ignored the fact that the statement of TNS and NKS were retracted. The CIT[A] has also not pondered over the AOs action in not obtaining any third-party confirmations.

12.1. However, the CIT[A] granted relief of Rs.10,97,23,303 on the basis of computational error in quantifying the unaccounted investment as per the seized excel sheet.

13. The Ld. CIT(A) accordingly, confirmed the addition of Rs. 2,58,00,000 made by the AO under section 69A/69B for the AY 2012-13.

14. The Assessee have contested the additions which were confirmed by the CIT(A). The Department has also contested the relief allowed by CIT(A), which will be taken up in the later part of this order.

15. Similar addition has been made in assessment year 2020-2021 and the summary of addition which has been confirmed by the ld. CIT(A) on the same reasoning which has been contested by the assessee before this Tribunal are as under:-

EI Resorts & Clubs Pvt Ltd

AY	69A/69B
AY 2020-21	1,33,98,747

16. Apart from the aforesaid grounds on merits of the addition, the Assessee has also raised legal grounds regarding the validity of the Notice under section 148 & validity of DIN on the Assessment Order.

**Submissions of the A.R:**

17. The matter was argued at length before us. The Assesseees have also filed detailed written synopsis covering the facts and various arguments made before us and a paper book containing a Excel sheets pertaining to purchase of land at Kolgaon and the statement of TNS/NKS as also other relevant documents, which were relied upon during the hearing. Copies of retraction statements are also filed.

18. Before us, the learned Authorised Representative (AR) for the assessee opened his arguments with characteristic

precision, asserting that the entire assessment proceedings were vitiated by a fundamental misconception of fact and law. He submitted that the Assessing Officer had elevated mere notings in a an excel sheet into conclusive proof of undisclosed income, without undertaking the most rudimentary verification or establishing any nexus between such notings and real-world transactions. The so-called incriminating excel sheet, he stressed, was merely a management information statement (MIS) prepared by PDG, who was the land aggregator and this fact was specifically mentioned by NKS and was not at all cash paid by the assessee for purchase of these lands as mentioned by TNS in his statement. The AR also mentioned that TNS in his statement has stated that he was not aware of the quantum of 'cash' generated and this would be explained by NKS and therefore the statement of NKS prevails over the statement of TNS. Consequently, the AR contended that in the absence of corroborative material or supporting evidence the reliance placed by the Assessing Officer upon these excel sheets and the contradictory statements of TNS and NKS , was wholly misplaced and is unsustainable in law, especially considering the fact that the TNS and NKS have retracted their statements during the course of assessment proceedings.

19. The AR further pointed out that the only foundation on which the Assessing Officer sought to ascribe meaning to these noting in the excel sheet was the statement of TNS recorded on 09/10/2021. The learned counsel invited our attention to the transcript of TNS's statement to demonstrate that it was riddled with conjecture and bereft of any factual

basis. He emphasized that the Assessing Officer's action in cherry picking a part of the statement of TNS was an exercise that was, in his words, "factually perverse and legally impermissible."

20. The learned counsel also reiterated his submission that the statement of TNS was of no real consequence as it had been categorically denied by NKS the principal person in charge of the company, in his statement dated 4<sup>th</sup> October, 2022 in Q no 11 where he had stated that TNS had been suffering from various ailments and he had assigned him the job of coordinating with PDG for lands to keep him busy and most importantly the figures in the excel sheets which were stated to be 'cash' were in fact a MIS report prepared by PDG to show comparison of the cost and projections of the potential profits [market values] in these lands. The AR also contended that in any case NKS had stated that '*occasionally some cash may have come and given to PDG*' which does not mean that all the figures under Col 'B' are cash as presumed by the AO.

21. The AR then highlighted that both TNS and NKS had formally retracted their statements during the course of assessment proceedings, through written communications dated 22<sup>nd</sup> December, 2022 and 7<sup>th</sup> February, 2023 respectively, giving cogent reasons for such retraction. Despite this, the Assessing Officer had summarily brushed aside these retractions, branding them as "afterthoughts," without affording either individual an opportunity for cross-examination or further clarification. This, he contended,

amounted to a flagrant violation of the principles of natural justice. Once a statement is retracted, the law requires the Department to establish its truth through independent corroboration; in the absence of such corroboration, the statement cannot be treated as binding evidence. The AR placed reliance on an array of judicial precedents to fortify his argument that a retracted statement, standing alone and unsupported by any tangible material, lacks evidentiary sanctity and cannot form the sole basis of addition.

22. The AR pointed out that the AO did not bother to analyze and evaluate other entries in the excel sheet and merely considered the amount mentioned in Column B as cash investment by relying on the uncorroborated statement of TNS which was later retracted.

22.1. The AR also made without prejudice submission that AO has cherry picked the statement of TNS to suit his narrative. Had the statement been fully considered, the AO would have been required to take cognizance of the fact that the cash investment was not made by the assessee company and therefore no addition could have been made in its hands. The AR vehemently argued that the Assessee company has no capacity to generate cash and that the cash was never invested by the Assessee company. The AR also pointed out that these facts have been duly accepted by the AO and CIT(A).

22.2. The AR also pointed out that this statement does not mention the years to which it pertains and the action of the AO to extrapolate the total to various assessment years on the

basis of the amounts paid by cheque is devoid of any logic or legal sanctity.

22.3. The learned Authorised Representative continued his submissions with a meticulous reference to jurisprudence, weaving together a formidable chain of precedents that underscored the impermissibility of making additions solely on the strength of uncorroborated and subsequently retracted statements. He first drew our attention to the decision of the **Hon'ble Bombay High Court in CIT v. Reliance Industries Ltd. [(2020) 261 Taxman 358 (Bom)]**, where the Court had categorically held that a statement recorded during search cannot be relied upon as conclusive evidence unless supported by independent material. In that case, as in the present one, the Assessing Officer had based additions merely on the confession of a third party without any corroboration, which was later retracted. The High Court, affirming the Appellate Tribunal, ruled that when a statement is retracted and no other evidence is adduced, such a statement cannot, by itself, justify the addition. The learned counsel submitted that the ratio of this judgment was directly applicable to the present facts, where the Assessing Officer, resting solely on the statements of TNS, had proceeded to frame the assessment without any verification or corroboration from the alleged payers or any independent third-party evidence.

23. The learned AR next placed reliance on the judgment of the **Hon'ble Jharkhand High Court in Shree Ganesh Trading Co. v. CIT [(2012) 214 Taxman 262 (Jharkhand)]**, wherein it was held that though a statement recorded under

section 132(4) constitutes evidence, its reliability and probative worth depend on the surrounding circumstances and corroboration. The Court observed that a bald statement, made without contemporaneous recovery of cash or assets and later retracted, could not be used to fasten liability. Drawing a parallel, the learned counsel emphasized that in the assessee's case, no incriminating cash or valuables had been discovered in the course of search; yet, the Assessing Officer had proceeded as though the excel sheet were self-proving instruments of truth. Such an approach, he argued, stood condemned by judicial authority.

24. The learned counsel further fortified his argument by citing the judgment of the **Hon'ble Gujarat High Court in Kailashben Chokshi v. CIT [(2010) 328 ITR 411 (Guj.)]**, where it was held that an admission recorded under section 132(4), if retracted, cannot form the sole basis for addition unless supported by corroborative material. The High Court noted that statements extracted under stressful or coercive circumstances, particularly during search at odd hours, often lack voluntariness and hence must be treated with circumspection. The learned AR submitted that this principle had been reiterated in several later pronouncements, including by the coordinate benches of the Tribunal, and represents the settled position of law that mere confessional statements, in the absence of corroboration, are insufficient to sustain additions. He also drew our attention to the Mahadhan Agritech Ltd. v. ACIT (ITA No. 2227/Mum/2024) decision, wherein this very Bench had, following the dictum of Harjeev Aggarwal (Delhi High Court) and Jagdish prasad Joshi

(Supreme Court), held that retracted statements under section 132(4) lose all probative value unless independently substantiated by evidence.

25. The learned counsel, to reinforce the argument, also referred to the official guidelines issued by the **Central Board of Direct Taxes (CBDT)** itself specifically, **Instruction No. 286/2/2003 dated 10th March 2003** and the subsequent **Circular F. No. 286/98/2013 dated 18th December 2014** both of which explicitly caution the Department against obtaining confessions of undisclosed income during search or survey operations. These circulars direct that assessments must be founded upon material evidence rather than unverified admissions. The counsel submitted that these instructions, being binding on the revenue authorities under section 119 of the Act, constitute a clear administrative mandate that confessional statements, without corroboration, are not to be made the sole foundation of assessment. He therefore urged that the action of the Assessing Officer in the present case anchoring the entire addition upon the retracted statements of TNS was in flagrant violation not only of settled judicial doctrine but of the Board's own directives.

26. The learned Authorised Representative then turned to what he termed the "central infirmity" of the entire assessment the treatment of the seized excel sheet as conclusive documentary evidence. He contended that even if, arguendo, the statements under section 132(4) were to be disregarded or viewed with circumspection, the excel sheets themselves, in the absence of any corroboration, were nothing

but “*dumb documents*” incapable of independent evidentiary value. They were not part of the books of account, bore no authentication, and were admittedly prepared by PDG and not by any of the Directors of the assessee. The presumption under section 132(4A), he submitted, applies only to documents found to “belong to” the assessee and does not extend to the private MIS statements of an outsider like PDG . It was emphasised that the Department itself had not demonstrated that the seized excel sheets were maintained under the assessee’s instruction or supervision and on the contrary a plain reading of the statements also indicate that these were not prepared by them as the words’ *Received from EI Group*’ would not have been mentioned had the statement been prepared by the assessee. The AR pointed out that this fact corroborates with the statement of NKS that this statement was prepared by PDG.

27. In support of this proposition, the learned AR drew strength from the celebrated decision of the **Hon’ble Supreme Court in Central Bureau of Investigation v. V.C. Shukla & Ors. [Criminal Appeal Nos. 247–256 of 1998]**, wherein it was held that loose sheets or diaries, not being books of account regularly kept in the course of business, are not admissible evidence under section 34 of the Indian Evidence Act. The Court observed that entries made by one person in such documents, unless corroborated by independent evidence, cannot fasten liability on another. This, the AR submitted, was directly applicable to the present case, where the Assessing Officer sought to tax the assessee company on the strength of the personal notings of PKS, without

establishing authorship, authenticity, or relevance. He also placed reliance on the judgment of the **Hon'ble Supreme Court in Common Cause (A Registered Society) v. Union of India [(2017) 394 ITR 220 (SC)]** the celebrated "Birla-Sahara Diaries" case wherein the Court had categorically held that uncorroborated third-party records found in the course of search have no evidentiary value whatsoever.

28. The learned counsel further cited a line of decisions from the jurisdictional and coordinate benches to reinforce the "*dumb document*" principle. Reference was made to **Principal CIT v. Umesh Ishrani [(2019) 108 taxmann.com 437 (Bom)]**, where the Hon'ble Bombay High Court upheld the Tribunal's finding that rough, unauthenticated notings in seized diaries, unaccompanied by corroborative evidence, could not justify addition under sections 68 or 69A. He also drew our attention to **Harish Textile Engineers Ltd. v. DCIT [(2015) 63 taxmann.com 66 (Bom)]**, and **DCIT v. Padmashree Dr. D.Y. Patil University [(2024) 159 taxmann.com 353 (Mum Trib)]**, both reiterating that such scribbled records, unless validated through substantive inquiry, are mere dumb documents. The AR thus submitted that the legal landscape on this issue is unequivocal: dumb documents, being self-serving, incomplete, or untested, cannot by themselves be a foundation for addition, particularly when the statements accompanying them have been retracted and no further corroboration is forthcoming.

29. Having thus traversed the legal authorities, the learned AR concluded that the entire assessment was built on

conjecture and surmise. The Assessing Officer, he submitted, had not summoned or examined any of the alleged receivers of cash, though their details were available. No corroboration, direct or circumstantial evidence was adduced; and yet, the assessee was visited with enormous additions merely on the strength of what were, at best, an MIS statement. To uphold such additions, he urged, would be to elevate suspicion to the level of proof, an approach that has been consistently disapproved by Courts. The learned AR therefore prayed that the additions sustained by the CIT(A) of Rs.2,58,00,000 under section 69A/69B, be deleted in toto, and that the assessment itself, founded on invalid notice and manual DIN, be declared void ab initio.

30. These submissions were made in respect of the additions under section 69A/69B in all the above appeals.

31. On the legal grounds, the summary of the ld. Counsel submissions are as under:-

A) Manual DIN

(i) The AR pointed out that the DIN mentioned on the following assessment order was not in accordance with the CBDT Circular No. 19/2019 dated August 14, 2019 and therefore the Order passed is bad in law and is liable to be quashed:

Assessee	ITA No.	AY	Manual DIN / Missing DIN
E I Resorts &	3213/Mum/2025	2012-2013	Manual DIN

Clubs Pvt Ltd.	CO 171/Mum/2025	2020-2021	Missing DIN
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(ii) The AR pointed out that on bare perusal of the assessment order for AY 2012-2013 it can be noted that the DIN has been mentioned manually. The AR further pointed out that the DIN intimation letter is dated 30.03.23 which is after the date of assessment order i.e.28.03.23

(iii) The AR further pointed out that DIN has been missing in respect of assessment order dated 28.03.23 passed for AY 2020-2021.

(iv) The AR accordingly argued that the manual DIN / Missing DIN in the impugned reassessment orders is not in accordance with CBDT Circular No. 19/2019 dated August 14, 2019.

(v) The AR pointed out that the CBDT Circular has mandated that all communications shall be issued through ITBA portal for maintaining proper audit trail and the communication shall be treated as Non est unless a computer-generated DIN has been allotted and duly quoted in the body of such communication. The Circular further mandates that only in exceptional circumstances, as provided in the Circular, such communication may be manually issued. It further provides specific procedure to be followed for issuing such manual communication. The Circular also states that any communication issued in contravention of the above stated procedure, shall be treated as invalid and shall be deemed to never have been issued.

(vi) The AR pointed out that The AO has not made out any exceptional circumstances, which enables him to by- pass this notification, which is binding on him.

(vii) The AR further argued that the DIN has been generated on date subsequent to date of assessment order and intimated vide separate intimation, which is after the date of the impugned reassessment Order. From the intimation dated 30-03-2023, it is clear that the DIN has been generated on 30-03-2023 and therefore there was no DIN available on the date of the assessment order i.e. 28-03-2025. The AR accordingly argued that the impugned reassessment Orders have been passed before the generation of DIN, which is not in accordance with the Circular.

(viii) IN respect of assessment order for AY 2020-2021, the AR argued that, in absence of DIN on the assessment order dated 28.03.23 the order is also not in accordance with the circular.

(ix) The AR relied on the following jurisdictional and non-jurisdictional High Court and others decisions in support of his contention:

a. Ashok Commercial Enterprises vs. ACIT [2023] 154 taxmann.com 144 (Bombay)

The DR produced the intimation letter dated 13-10-2021 stating that the order dated 28-9-2021 under section 153C has a DIN, which is set out therein. The Hon High Court held that even if this is in compliance with para 3 of Circular no.19 of 2019, the same is not in compliance with para 3 of the circular as no exceptional circumstances were claimed and

accordingly it was held that such an order is to be treated as invalid.

b. Commissioner of Income Tax v Laserwords US Inc (2025 175 taxmann.com 920) (Madras)

The Assessing Officer passed assessment order under section 143(3) read with section 144C(13) read with section 254 pursuant to the directions of DRP. The direction issued by the DRP under section 144C(5) and the assessment order did not contain a Document Identification Number (DIN) as mandated by the CBDT by its Circular No. 19/2019, dated 14-8-2019. The Revenue contended that the DIN was generated and it was written in hand in the proceedings of DRP and subsequently, communicated to assessee on the same day, i.e., on 12-2-2021. Following the decision of Bombay High Court in *Ashok Commercial Enterprises v. Assistant Commissioner of Income tax* [2023] 154 taxmann.com 144 (Bombay) it was held that in absence of valid DIN, DRP proceedings and the assessment order are invalid.

c) Commissioner of Income Tax, International Taxation vs Sutherland Global Services Inc (2025 175 taxmann.com 897) (Madras)

The Madras High court stated that Firstly, on facts, it is the case of revenue that there was a DIN generated and it was written in hand in the proceedings of DRP and subsequently, communicated to assessee two days later. Thus, according to revenue, a DIN in fact was generated for DRP proceedings, written by hand and subsequently communicated on 21-12-

2022 and therefore, the conditions prescribed in paragraph No.3 of the circular have been complied with. Admittedly, the reason for writing the DIN number by hand and the reason for not generating the DIN electronically have not been specified in the format prescribed in paragraph No.3 of the circular. Even prior written approval of the Chief Commissioner/Director General of Income-Tax, as prescribed in Clause (3) of the Circular, was not brought to notice. If such prior permission has not been taken, that will also be another ground to make the communication to be treated as invalid and having never been issued. Therefore, the communication or the proceedings of the DRP, is not in conformity with paragraph Nos.2 and 3 of the circular and are invalid and deemed to have never been issued. Consequently, the assessment orders under section 144C(13), which are passed on those directions of DRP, cannot be sustainable.

d) DCIT, Central Circle – 7(2) vs Shubhkanchi Trading Pvt Ltd (1600/Mum/2022) (Mumbai Trib)

Relying on the binding decision of Bombay High Court in the case of Ashok Commercial Enterprises Vs ACIT (154 taxmann.com 144), it was held that order issued in violation of Circular 19 of 2019 is bad in law and is liable to be quashed.

B) Notice issued by the jurisdictional Assessing officer instead of faceless Assessing officer

(i) The AR also pointed out that the notice under section 148 was issued by jurisdictional Assessing officer in contravention

of Section 151A of the Act & the scheme frame thereafter and therefore the reassessment proceedings are bad in law.

(ii) The AR argued that as per the scheme formulated vide Notification S.O1466 (E)(18/2022) dated March 29, 2022 (“the Scheme”) issued under section 151A of the Act, the notice under section 148 of the Act could only have been issued in a faceless manner.

(iii) The AR further argued that as per section 151A of the Act, read with the scheme, any notice under section 148 of the Act shall be issued only in terms of the said scheme and in a faceless manner. Therefore, the impugned notice issued by the AO is invalid and liable to be quashed and set aside.

(iv) The AR relied on the following jurisdictional and non-jurisdictional high court / Tribunal decisions:

a. Hexaware Technologies Limited v. ACIT reported in [2024] 464 ITR 430 (Bombay HC)

Notice under section 148 was issued by Jurisdictional Assessing Officer instead of Faceless Officer in contravention of scheme of Faceless assessment.

The Hon HC held that, there is no question of concurrent jurisdiction of the JAO and the FAO for issuance of notice under section 148 or even for passing assessment or reassessment order. When specific jurisdiction has been assigned to either the JAO or the FAO in the Scheme dated 29th March, 2022, then it is to the exclusion of the other. To take any other view in the matter would not only result in chaos but also render the whole faceless proceedings redundant. If the argument of revenue is to be accepted, then

even when notices are issued by the FAO, it would be open to an assessee to make submission before the JAO and vice versa, which is clearly not contemplated in the Act and accordingly and therefore issue of notice is bad in law.

The above decision of Hexaware was followed by the coordinate bench of Bombay High Court in the following cases:

i) Capital G LP V. ACIT (writ Petition (L) No. 15289 of 2024)  
(Bombay HC)

ii) Abhin Anil Kumar Shah v. ITO reported in [2024] 468 ITR 350 (Bombay HC)

iii) Ganesh Nivrutti Jagtap vs ACIT [2024] 166 taxmann.com 168 (Bombay)

b. The Supreme Court in the case of Deepanjan Roy v. ADIT ([SLP (C ) No. 18753/2025] (SC) has dismissed the SLP filed against the decision of Telangana High Court (Writ Petition No. 23573 of 2024) regarding the validity of notice issued under section 148 by the JAO.

32. The Assessee further submit that none of the above decisions have been stayed by Hon' Supreme Court and therefore the same has the binding force on the lower appellate authorities. In this connection the Assessee relies on the decision of Jurisdictional Bombay High Court in the case of Bank of India vs ACIT [2025] 170 taxmann.com 422 (Bombay).

### **C) Defective Notice issued under section 148**

The AR argued that the reassessment proceedings are invalid in law, as the notice issued under section 148 of the Income Tax Act in the case of E I Resorts & Clubs Pvt Ltd. for AY 2012-2013 and 2020-2021 is fundamentally defective.

The AR pointed out that the Assessing Officer himself in the assessment order has recorded the fact that no search under section 132 was ever carried out in the case of the assessee. The AR pointed out that despite this, the AO proceeded to issued notice issued under section 148 on the erroneous premise that a search had been conducted against the assessee. The AR submitted that such a defective notice vitiates the entire reassessment proceedings and renders them liable to be quashed.

In support of this submission, the AR placed reliance on the Full Bench decision of the Hon'ble Bombay High Court in the case of Mohd. Farhan A. Sheik [(2021) 125 taxmann.com 253].

The AR stated that, though the above decision was rendered in the context of the validity of notice issued under section 271(1)(c), the underlying legal principle regarding the necessity of a valid notice is equally applicable to reassessment proceedings under section 148. Accordingly, the ratio laid down therein squarely applies to the present case.

33. The learned Departmental Representative (DR), on his part, sought to defend the orders of the Assessing Officer and

the learned CIT(A) with considerable fervour. He submitted that the seized excel sheets and loose papers though not part of the statutory books of account, constituted contemporaneous records maintained by a responsible person of the group, and therefore, merited serious evidentiary consideration. The DR argued that TNS was a key managerial person who, by virtue of his long-standing involvement in the affairs of the group, had intimate knowledge of the cash transactions and dealings in land. The DR argued that the very fact, that the excel sheet and loose paper were discovered from the office premises of the assessee gave rise to a presumption under section 132(4A) that the contents thereof belonged to the assessee. He further argued that the statement of TNS, recorded contemporaneously during the search, carried evidentiary weight. According to the DR, such testimonies could not be brushed aside as unreliable merely because of subsequent retractions.

34. The learned DR further contended that the retractions filed by TNS and NKS were afterthoughts, strategically made only after they had realized the adverse implications of their earlier admissions. Such belated retractions, he argued, should not dilute the evidentiary value of statements recorded under section 132(4), which, by legislative design, enjoy a special evidentiary status. In this connection, he drew reference to certain judicial pronouncements where Courts have held that retractions lacking immediate contemporaneity or supporting explanation cannot be accepted at face value. The DR also maintained that while the excel sheets / loose paper may not have been formal books of account, they

nevertheless reflected a coherent pattern of transactions covering multiple years, with cross-references to names, amounts, and land parcels, thereby lending internal consistency and credibility to the entries. He urged that the Assessing Officer had correctly distinguished between the entries relating to payment by cheque and entries relating to payment by cash.

35. On the question of corroboration, the learned DR contended that complete mathematical or documentary correlation is not always possible in cases of search, and that circumstantial inference drawn from the seized material can, in appropriate cases, suffice for sustaining an addition. He emphasized that the Assessing Officer, by collating the excel sheet and loose sheet with the statements of key managerial person had constructed a cogent evidentiary mosaic pointing to unaccounted transactions. The DR urged that the Tribunal should not substitute its own appreciation of evidence in place of the Assessing Officer's considered view, unless such view is perverse or devoid of rational basis. In his submission, the order of the CIT(A), which had already granted substantial relief, represented a fair equilibrium between departmental interest and taxpayer's grievance, and no further deletion was warranted.

### **DECISION**

36. We have heard rival contentions, perused the voluminous records and relevant findings given in the impugned orders. In

so far as the issue relating to taxability of unaccounted investment in Kolgaon Land, the AO has completely relied on the statements of TNS who had alleged to have explained entries in the excel sheet found during the search. From a deep scrutiny of the statements it is discerned that the statement of TNS was contradicted by NKS who is the key person involved with land dealings. Further, NKS pointed out that the said sheet was prepared by PDG, which is evident on a plain reading of this excel sheet also and the same was estimate of cost and profits and projection. NKS has further stated that TNS was not in good health and to keep him busy he was assigned with the task of land acquisition. No further statement of NKS was recorded on this issue.

37. Further, the statement of TNS was considered only in part. The AO ignored the statement where TNS has stated that the cash was sourced from Estate. The AO has not recorded the statement of TNS in respect of various other entries found in the excel sheet. Thus, this statement per se cannot lead to conclusion that notings in the excel sheet prepared by PDG in his individual capacity as MIS statement can lead to adverse inference in so far as assessee company is concerned that they paid cash towards acquisition of land.

38. Another important fact is that both TNS and NKS have retracted their statements before the learned Assessing Officer. The reasons for such retraction were that they were not even aware that their statements would be used against the assessee company, particularly when the seized excel sheet were not prepared by any Director or employee of the

assessee company. When statements have been retracted with cogent and plausible reasons, the law casts a corresponding duty on the Assessing Officer to summon those persons, confront them with their earlier statements, and subject them to cross-examination. Such procedural safeguard, as repeatedly emphasized by the Hon'ble Supreme Court in several decisions cited before us by learned counsel, is not a matter of indulgence but a sine qua non of natural and fair adjudication.

39. The mere discovery of excel sheet which are not even prepared by the directors of the assessee company and remain uncorroborated by any external evidence, cannot, by itself, form the sole basis for an addition. Particularly so when the authorship and authenticity of such documents are in dispute. The Investigation Wing, which carries out the search, may record statements or seized documents; however, the same are merely inputs for further enquiry. Once the material is transmitted to the jurisdictional Assessing Officer, it becomes incumbent upon him to apply his own independent mind and conduct proper enquiry to determine whether such statements or seized documents can lawfully lead to any addition.

39.1. The Assessing Officer cannot act as a mere forwarding agent of the report or view expressed by the Investigation Wing and mechanically incorporate the same in his assessment order without exercising his own judgment as to whether such information or view can legitimately form the foundation of an addition within the four corners of law. At best, the

information and material emanating from the Investigation Wing may serve as a trigger or starting point to issue a show-cause notice and seek an explanation from the assessee. But once the assessee has rebutted those materials including any recorded statement with cogent reasons, the Assessing Officer must judiciously evaluate such explanation and undertake at least a prima facie enquiry to test the correctness of the rebuttal and strengthen the evidentiary base of the material relied upon.

39.2. If he fails to do so, sustaining any addition solely on the basis of such material gathered from the search cannot be justified. In the present case, the statements and documents relied upon by the Department have been effectively rebutted and controverted with cogent reasoning, as elaborated in detail above. The Assessing Officer, functioning as a quasi-judicial authority, is bound to apply his mind independently and adjudicate the issue in a fair and reasoned manner.

39.3. The presumption under section 132(4A) is, at best, a limited and rebuttable presumption applicable only in the context of seizure and custody, and cannot, by itself, elevate a private employee's scribblings into proof of income chargeable to tax. The Assessing Officer's reliance on extrapolation to make addition in each year extending the inference drawn from a uncorroborated excel sheet amounts more to conjecture than to judicial reasoning.

40. This concern is further magnified when the foundation on which the said addition was made *i.e.* *Statement of TNS* has been retracted and no further examination or cross-

verification has been undertaken. In light of these circumstances, the very evidentiary substratum of the additions evaporates, leaving behind nothing but suspicion. The Assessing Officer's approach of brushing aside the retractions as afterthoughts, without testing their veracity through examination or cross-questioning, constitutes a serious procedural infirmity.

40.1. This infirmity is all the more pronounced in the present case because the seized material is neither self-explanatory nor independently corroborated. The Assessing Officer's duty extends beyond mere reproduction of search findings; he must verify the surrounding facts and determine whether any such statements or diary notings are supported by independent evidence. Yet, in this case, he did not examine any of the persons purportedly involved in the alleged NOC transactions, nor did he summon the supposed payers of cash whose names appeared in the diaries.

40.2. At the very least, there should have been some independent corroborative material such as bank statements, agreements, receipts, or documents evidencing any actual cash transaction or confirmation brought on record. The entire addition has been founded upon untested statements and cryptic notings. Such a method of assessment, built on conjecture and devoid of corroboration, cannot withstand judicial scrutiny. An addition resting purely on suspicion and unsupported inference is antithetical to the settled principles of evidentiary assessment and the doctrine of fair adjudication.

41. We therefore hold that the Assessing Officer, in relying solely upon unverified excel sheet and uncorroborated statements, has traversed beyond the permissible confines of evidentiary inference. The seized excel sheet, as earlier discussed, are incapable of interpretation without contextual evidence, and the statements upon which reliance was placed stand nullified by valid retraction. The confluence of these infirmities absence of corroboration, failure to summon and cross-examine, and the intrinsic vagueness of the documents compels us to conclude that the additions made towards alleged capital gains and unexplained money are devoid of factual and legal foundation. In the result, the additions sustained under the head “Unexplained Investment U/s 69A/69B” amounting to ₹2,58,50,000 in the case of E I Resorts and Clubs Private Limited, and under section 69A/69B in AY 2012-2013 and Rs 133,98,747 for AY 2020-21 which has been confirmed in principle , cannot be upheld and are hereby deleted. The Orders passed by the CIT[Appeals] are accordingly reversed.

42. Having disposed of the additions of merits, we now turn to legal ground concerning the validity of the assessment itself. Upon the submissions and the judicial precedents, especially of Hon’ble Jurisdictional High Court which is a binding precedent on us, we are persuaded that the reassessment edifice is untenable on two independent yet converging grounds. The assessee has assailed the reassessment orders on two principal planks first, that the notice under section 148 was issued by the Jurisdictional Assessing Officer instead of the Faceless Assessing Officer, in

contravention of the scheme notified under section 151A vide Notification S.O. 1466(E) dated 29th March 2022; and second, that the assessment order bears a manually inscribed Document Identification Number (DIN), contrary to CBDT Circular No. 19 of 2019 dated 14th August 2019. On the first issue, the legal position is no longer res integra. The Hon'ble Bombay High Court in *Hexaware Technologies Ltd. v. ACIT* [(2024) 464 ITR 430 (Bom)] has decisively explained that where Parliament and the delegated notification have assigned jurisdiction to the faceless unit, the jurisdiction of the local officer stands eclipsed. The scheme does not contemplate a concurrent or overlapping authority. Any notice issued dehors the faceless framework is coram non-judice and the proceeding is void at inception. The exposition laid down by the Hon'ble Bombay High Court in *Hexaware Technologies Ltd. v. ACIT* has since been consistently followed by the same Court in **Capital G LP v. ACIT, Abhin Anil Kumar Shah v. ITO** [(2024) 468 ITR 350 (Bom)], and **Ganesh Nivrutti Jagtap v. ACIT** [(2024) 166 Taxmann.com 168 (Bom)], thereby fortifying the principle that the faceless assessment regime under section 151A is not a matter of administrative convenience but a jurisdictional imperative. The High Court in these decisions has unambiguously held that once jurisdiction is statutorily vested in the Faceless Assessing Officer, any notice issued by the Jurisdictional Assessing Officer is coram non judice and consequently void ab initio.

42.1. This view now stands further affirmed by the Hon'ble Supreme Court in **Deepanjan Roy v. ADIT [SLP (C) No. 18753 of 2025]**, wherein the Special Leave Petition filed by

the Revenue against the decision of the Hon'ble Telangana High Court in Writ Petition No. 23573 of 2024 upholding the invalidity of notices issued by the Jurisdictional Assessing Officer under section 148 was dismissed. The dismissal of the SLP lends the imprimatur of the Apex Court to the settled proposition that reassessment notices issued outside the framework of the faceless scheme are jurisdictionally incompetent.

42.2. In the absence of any contrary authority or distinguishing factual matrix, we are bound to follow the consistent line of judicial precedent emanating from the Hon'ble Jurisdictional High Court. None of these decisions have been stayed, modified, or reversed by the Hon'ble Supreme Court. Accordingly, these binding pronouncements of the Hon'ble Bombay High Court command full precedential authority over this Tribunal.

43. The second legal infirmity relates to the manner in which the impugned assessment orders were issued bearing a manually written Document Identification Number (DIN) and followed by a separate communication of the DIN several weeks later. The undisputed factual matrix reveals that the assessment order was dated 28th March 2025, whereas the intimation letter bearing the DIN was generated and communicated on 30th April 2025. Thus, on the date when the assessment order was passed, no DIN existed in the system. The purported handwritten DIN subsequently inserted in the body of the order is a post facto attempt at regularization. This practice, we regret to note, stands in

direct contravention of the binding mandate of CBDT Circular No. 19 of 2019 dated 14th August 2019, which prescribes that “no communication shall be issued by any income-tax authority without a computer-generated DIN, and any communication issued in contravention thereof shall be treated as invalid and shall be deemed to have never been issued.” The Circular, being issued in exercise of powers under section 119 of the Act, has statutory force and is binding upon all officers of the Department.

44. The Circular admits of only limited exceptions in cases involving system outages, emergencies, or other exceptional circumstances and even then, mandates the recording of reasons in writing, prior approval of the Chief Commissioner or Director General, and contemporaneous documentation of such approval in the assessment record. The Revenue has neither pleaded nor produced any evidence that such conditions were satisfied in the present case. On the contrary, the generation of DIN after the date of assessment belies any claim of technical exigency. The omission, therefore, is not a mere procedural irregularity but a substantive breach that goes to the root of jurisdiction. The **Hon’ble Bombay High Court in Ashok Commercial Enterprises v. ACIT [(2023) 154 Taxmann.com 144 (Bom)]** has authoritatively held that failure to issue an order through the designated ITBA portal, or issuance of an order without a valid pre-existing DIN, renders such order invalid and non est in the eyes of law. The Court rejected the argument that subsequent intimation of DIN could cure the defect, holding that such post-dated compliance defeats the purpose of the Circular, which is to

ensure transparency, traceability, and audit trail of every communication issued by the Department.

45. The same principle was reaffirmed by the **Hon'ble Madras High Court in CIT v. Laserwords US Inc. [(2025) 175 Taxmann.com 920 (Mad)]**, where it was held that an assessment order and DRP proceedings issued without a valid DIN were void ab initio. The Court observed that the procedural mandate under **Circular No. 19 of 2019** is not directory but mandatory, and that even if a DIN was generated later and handwritten in the order, such post facto insertion could not cure the inherent defect of invalidity. The reasoning was reiterated in **CIT (International Taxation) v. Sutherland Global Services Inc. [(2025) 175 Taxmann.com 897 (Mad)]**, where the Hon'ble Court observed that the absence of a pre-generated DIN, or the failure to record reasons and obtain prior approval for manual issuance, is fatal to the validity of the order. These rulings, when read conjointly, leave no room for doubt that compliance with the DIN protocol is a jurisdictional prerequisite and not a curable irregularity.

46. The coordinate benches of this Tribunal have consistently followed this judicial position. In **DCIT (Central Circle-7(2)) v. Shubhkanchi Trading Pvt. Ltd. (ITA No. 1600/Mum/2022)**, the Tribunal, applying the ratio of Ashok Commercial Enterprises (supra), quashed the assessment order for violation of the DIN requirement, observing that the issuance of a manual order without a computer-generated DIN was antithetical to the CBDT's stated policy of transparency and accountability. Likewise, in **CIT v. Laserwords US Inc.**

**and Sutherland Global Services (supra)**, both the High Courts categorically declared that communications issued without valid DINs are “invalid and deemed to have never been issued.” Following these precedents, we hold that the assessment orders impugned before us having been manually issued and followed by post-dated DIN intimations are void in the eyes of law and cannot be sustained. The sanctity of the CBDT’s procedural safeguards cannot be reduced to a mere formality; they are, in essence, the bedrock of institutional integrity in the era of faceless administration.

47. Having held so, it necessarily follows that the reassessment proceedings initiated under section 148 by the jurisdictional Assessing Officer, in violation of the Faceless Scheme under section 151A and compounded by the failure to generate and quote a valid DIN, stand vitiated in law. The dual breaches one jurisdictional, the other procedural strike at the root of the assessment’s validity. The notice under section 148, having been issued by an officer not authorised under the notified scheme, is coram non judice, and the subsequent order passed without a valid DIN is a nullity. This conclusion is fortified by the decision of the Hon’ble Bombay High Court in *Hexaware Technologies Ltd. v. ACIT (supra)*, which has been consistently followed in **Capital G LP v. ACIT (Writ Petition No. 15289 of 2024)**, **Abhin Anil Kumar Shah v. ITO [(2024) 468 ITR 350 (Bom)]**, and **Ganesh Nivrutti Jagtap v. ACIT [(2024) 166 Taxmann.com 168 (Bom)]**. The dismissal of the Special Leave Petition by the **Hon’ble Supreme Court in Deepanjan Roy v. ADIT [SLP (C) No. 18753/2025]** lends further imprimatur to this legal position.

Thus, we have no hesitation in holding that the reassessment orders impugned before us are void ab initio, both for want of jurisdiction and for breach of mandatory procedural require.

48. The third legal infirmity relates to the manner in which the impugned notice has been issued under section 148. The AO has issued the notice under section 148 on the ground that the search was conducted on the assessee despite the fact that no search was ever conducted on the assessee. The reliance on the full bench of the Bombay High Court in the case of Mohd Farhan A Sheik (125 taxmann.com 253) clearly applies to the facts of the case at hand and respectfully following the full bench decision of jurisdictional High Court, the notice issued under section 148 is held to be defective.

48.1. The cumulative effect of our findings leads inexorably to the conclusion that both the reassessment proceedings and the resultant assessment orders are unsustainable. The notice under section 148, issued by an authority bereft of jurisdiction under the Faceless Assessment Scheme, is *void ab initio*. The assessment order, bereft of a valid, pre-generated DIN, stands condemned by the express stipulations of CBDT Circular No. 19 of 2019, as interpreted by the binding judgments of the jurisdictional and other High Courts. The Revenue, though afforded ample opportunity, has not demonstrated compliance with any of the statutory or procedural conditions that could lend legitimacy to its actions. In this view of the matter, the entire reassessment exercise is vitiated at inception, and all consequential proceedings are rendered nullities in the eye of law.

49. In the result, and in consonance with our detailed findings hereinbefore, we hold that (i) the additions made under section 69A on account of alleged cash investment in Kolgaon land stand deleted for want of evidence; (ii) the reassessment proceedings initiated under section 148 are quashed for lack of jurisdiction in terms of the Faceless Assessment Scheme; and (iii) the assessment orders are further invalidated for non-compliance with CBDT Circular No. 19 of 2019 owing to the absence of a valid pre-generated DIN. (iv) the assessment orders are further invalidated for issue of defective notice under section 148. The remaining grounds pertaining to interest under sections 234A, 234B, and 234C are purely consequential and call for no separate adjudication. The appeals filed by the assesseees are thus allowed in part, whereas those preferred by the Revenue stand dismissed.

50. We now turn to the connected appeals filed by the department for AY 2012-2013 and 2020-2021 and cross appeal filed by the assessee for the assessment year 2020-2021, wherein the facts, issues, and the reasoning adopted by the Assessing Officer are *pari materia* to those already adjudicated upon in the lead year. In each of these years, the additions have emanated from the same excel sheet and the same statements recorded during the search, with only the quantum of alleged receipts differing in arithmetical magnitude. The learned representatives on both sides fairly conceded that the evidentiary foundation, the nature of seized material, and the pattern of assessment are identical. Having already held that the very basis of these additions is legally

infirm and evidentially hollow, it necessarily follows that the same reasoning applies mutatis mutandis to these appeals as well. We therefore adopt our findings and conclusions in the lead appeal as applicable in toto to the remaining years under consideration and dismiss the appeals of the Department.

51. For the sake of ready reference the grounds raised by the assessee in other year and the Revenue grounds are incorporated as under:-

**(A) ITA No. 3886/MUM/2025 - AY 2012-13 -**

**Department's Appeal**

**Grounds raised by the Department:**

1. *Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in restricting the addition made u/s 69A r.w.s: 69B of the Income-tax Act, 1961 (hereinunder referred to as 'the Act') to Rs.2,58,00,000/- out of the total addition made for an amount of Rs. 13,55,23,303/-;*
2. *Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in not taking into consideration the contents of the statement recorded on oath us 132(4) of the Act on 09/10/2021 of Shri TarunNandkumar Seksaria wherein he has admitted that the amounts mentioned in Column 'A'in the seized excel sheet pertained to amount paid by cheque towards purchase of land at Kolgaon whereas the amounts mentioned in Column 'B' pertained to amount paid in cash towards purchase of the said land;*
3. *Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in not appreciating the fact that the excel sheet under consideration was found and seized from the computer of Shri Tarun Nandkumar Seksaria as against the claim of the assessee that the same had been prepared by late Shri Pratap Gambhir:*
4. *Whether on the facts and circumstances of the case and*

*in law, the Ld CIT(A) erred in not considering the method of determination of proportionate cash paid for acquiring the land at Kolgaon whereby an addition of Rs. 13,55,23,303/- had been made by the Assessing Officer to be correctly calculated.;*

*5. Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in not considering that the excel sheet seized from computer of Shri Tarun NandkumarSeksaria was the incriminating material containing the detailed bifurcation of the amounts paid in cheque for acquisition of land at Kolgaon (Column 'A') and amounts paid in cash for acquiring the said land at Kolgaon (Column'B');*

*6. Whether on the facts and circumstances of the case and in law, the Ld CIT(A) erred in upholding the contention of the assessee that the amounts mentioned in Column B' of the excel sheet seized from the computer of Shri Tarun NandkumarSeksaria represented the projected return on investment made in the land purchased at Kolgaon;*

*7. The appellant craves leave to add to, alter, amend, modify and/or delete any or all of the above said grounds of appeal, the appellant reserves its right to file further submissions in the appeal.*

## **(B) AY 2020-21 (ITA 3926/MUM/2025) – Department's Appeal**

### **Grounds raised by the Department:**

*1. Whether on the facts and circumstances of the case and in law, the Ld CII(A) erred in restricting the addition made u/s 694 r.w.s. 69B of the Income-tax Act. 1961 (hereinunder referred to as 'the Act') of Rs. 1,33,98,747*

*2. Whether on the facts and circumstances of the case and in law. the Ld CITIA) erred in not sending the additional evidences if any filed during the appellate proceedings to the Assessing Officer as per the provisions of section 46A of the Income-tax Rules, 1962 for verification and submissions of Remand Report on such additional evidences filed:*

3. Whether on the facts and circumstances of the case and in law, the Ld CITA) erred in allowing relief to the assessee by deleting the addition of Rs. 1,33,98,747/- by holding that the corresponding cash of Rs.20,00,000/- was invested out of the cash receipts from the release of rights of Eksali Lands though documentary evidences had not been produced by the assessee to establish that the cash of Rs.20,00,000/- was out of the cash receipts from eksali land and not from an undisclosed cash derived from other unaccounted sources;
4. The appellant craves leave to add to, alter, amend, modify and/or delete any or all of the above said grounds of appeal, the appellant reserves its right to file further submissions in the appeal."

**C) Assessment Year 2020-2021 Assessee's CO No 171/Mum/2025 for**

Cross objections raised by the Asseesee

- 1) The Commissioner of Income tax (Appeals) – 50, Mumbai (herein referred to as CIT (A)) erred in holding that the DCIT, Central Circle 8(1) (herein referred to as AO) was right in reopening the assessment under section 148 of the Act.
- 2) Without prejudice to the above, Appellants submit that the assessment Order passed by the AO under section 143(3) /148 has been issued without DIN and therefore this Order passed by the AO is a nullity in law and the Appellants pray that the same be quashed.
- 3) Without prejudice to above, the CIT (A) though deciding the factual issue in favor of the Appellants erred in principal in holding that the provisions of section 69A r.w.s 69B are applicable.
- 4) The Ld. AO erred in levying interest under section 234B of the Act. The Appellant prays that the interest under section 234B of the Act be deleted or consequentially reduced.
- 5) The Appellants craves leave to add, amend, omit or alter the above grounds of appeal before or during the hearing of the appeal.

52. From a careful perusal of the grounds raised by the department and the cross objections filed by the Assessee in the connected assessment years, it emerges that the challenge revolves primarily around two distinct yet interrelated facets, first, the very validity of the reassessment proceedings initiated under section 148 of the Act; and second, the substantive additions made on account of alleged unaccounted investment in land, based on the same excel sheet and materials. The legal challenge to the reopening rests on the contention that the notice under section 148 was issued by the Jurisdictional Assessing Officer in contravention of the Faceless Assessment Scheme framed under section 151A of the Act, and is therefore void ab initio. The assessee has further assailed the consequential assessment orders on the ground that they were passed without a Document Identification Number (DIN), in breach of the mandatory directions contained in CBDT Circular No. 19 of 2019 dated 14 August 2019.

53. On merits, the assessee has contested the additions made on account of alleged unaccounted investment in land are purely notional and unsupported by any cogent material. It has been argued that such additions rest entirely on excel sheets prepared by an outsider for MIS purposes, which neither constitute books of account nor possess any evidentiary sanctity in the eyes of law. These contentions, as raised across the various assessment years, have already been examined in detail in the earlier part of this order, where we have found that the reassessment proceedings themselves suffer from fundamental jurisdictional defects, and that the

very foundation of the additions lacks probative value. The present grounds, therefore, stand on identical footing, both in law and in fact, and are to be adjudicated in consonance with the principles and findings already recorded hereinabove.

54. Since we have held that the seized excel sheet themselves lack probative value and the statements supporting them stand retracted, the additions crumble together.

55. We also note that in certain assessment years, the Assessing Officer has purported to reopen completed assessments merely on the basis of the seized excel sheet, even though such material pertained entirely to earlier or later years. This mechanical transposition of entries across assessment years, without verifying the temporal correlation of the alleged transactions, amounts to impermissible telescoping of facts. The Hon'ble Supreme Court in *CIT v. Sun Engineering Works (P) Ltd.* [(1992) 198 ITR 297 (SC)] held that reopening under section 147 cannot be used as a ploy for roving verification or fishing enquiry into completed matters. The Assessing Officer's act of extrapolating entries found in one year to reopen other years is precisely the mischief which the Court sought to prevent. On this count too, the reassessments lack legal sanctity.

56. Coming now to the appeals preferred by the Revenue, we find that the Department has assailed the relief granted by the learned CIT(A) in respect of certain portions of the seized material which, according to the Department, ought to have been sustained as unaccounted income. The grounds raised

are, in substance, that the CIT(A) erred in deleting additions relating to the additions emanating from the excel sheet and statements of TNS under section 69A/69B .Upon careful consideration, and based on our decision on facts in the assessee's case, we find no merit in the Revenue's grievance, which are accordingly dismissed for both years.

57. For completeness, we also confirm that the relief allowed by CIT(A) on computational and certain factual error made by the CIT(A) in respect of arithmetic reconciliations, while not impugned on merits, stand rendered academic in view of our decision to annul the substantive assessments themselves. Once the foundational assessment is quashed, all ancillary determinations such as depreciation recomputation, interest levies, or carry-forward adjustments lose their footing. In consequence, these incidental matters need no separate adjudication and are rendered infructuous.

58. Additionally, the Revenue has taken ground No.2 in AY 2020-21 relating to violation of Rule 46A. We have perused the papers filed by the assessee, assessment order and order of the Id. CIT(A), we are in agreement with the contention of the Id. AR that no evidence was produced before the Id.CIT(A) in violation of Rule 46A. Even at the time of hearing, Id. DR has not indicated what were the additional evidences which have been entertained by the Id. CIT(A). Thus, these grounds raised by the department in various years are dismissed.

59. Accordingly, for the assessment years 2012-13 and 2020-21, where reassessment orders were framed pursuant to notices under section 148 or 153A of the Act based on the

same set of seized excel sheet and statements, such assessments stand annulled for want of jurisdiction, procedural legitimacy, and evidentiary support. All consequential additions made therein are correspondingly set aside.

60. For the sake of clarity and completeness, it is hereby recorded that: (i) additions made towards alleged unaccounted investment in land , are deleted in full; (ii) assessments reopened under section 147 are quashed as void ab initio for having been initiated by an officer lacking jurisdiction in contravention of the Faceless Assessment Scheme under section 151A; (iii) the assessment orders themselves are invalidated for non-compliance with CBDT Circular No. 19 of 2019 due to the absence of a valid pre-generated DIN and (iv) the assessment orders themselves are invalidated on account of defective notices issued under section 148. It is further clarified that all consequential adjustments such as disallowances, carry-forward of losses, and levy of interest under sections 234A, 234B and 234C are rendered academic in view of the annulment of the primary assessment orders.

61. The cumulative outcome of these appeals is thus be summarized, for administrative convenience, as follows:-

<b>ITA No.</b>	<b>A.Y</b>	<b>Result</b>
<b>3213/Mum/2025</b>	<b>2012-13</b>	<b>Allowed</b>
<b>CO171/MUM/2025</b>	<b>2020-21</b>	<b>Allowed</b>
<b>3886/Mum/2025</b>	<b>2012-13</b>	<b>Dismissed</b>

<b>3926/Mum/2025</b>	<b>2020-21</b>	<b>Dismissed</b>
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**62. All the appeal and CO filed by the assessee are allowed in full, whereas the appeals preferred by the Revenue are dismissed. No order as to costs.**

Order pronounced on 28<sup>th</sup> October, 2025.

**Sd/-**  
**(ARUN KHODPIA)**  
**ACCOUNTANT MEMBER**  
Mumbai; Dated 28/10/2025  
KARUNA, *sr.ps*

**Sd/-**  
**(AMIT SHUKLA)**  
**JUDICIAL MEMBER**

**Copy of the Order forwarded to :**

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

//True Copy//

BY ORDER,

(Asstt. Registrar)  
**ITAT, Mumbai**