

IN THE INCOME TAX APPELLATE TRIBUNAL
"A" BENCH, MUMBAI
BEFORE SHRI PAWAN SINGH, JUDICIAL MEMBER &
MS. PADMAVATHY S, ACCOUNTANT MEMBER
ITA Nos. 5100 to 5106/MUM/2025
(AY: 2016-17 & 2018-19 to 2023-24)
(Physical hearing)

Lokesh Kumar Khabya 2 nd Floor, Office No. 212, New DTC, Hath Falia, Haripura, Surat. Gujarat – 395003. [PAN: CVDPK2854E]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
Appellant / Assessee		Respondent / Revenue

ITA Nos. 5198 to 5201/MUM/2025
(AY: 2020-21 to 2023-24)

Sourabh Sethi M-15, Flox Chambers, Opera House, Tata Road No. 1, Mumbai – 400004. [PAN: FOJPS1648L]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
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ITA Nos. 5150 to 5153/MUM/2025
(AY: 2019-20 to 2022-23)

Shree Riddhi Siddhi & Co. Shop No. 15, Dasturi Heights, Near RBK School, Eden Park Road, Mira Bhayandar, Thane, Maharashtra – 401105. [PAN: ADTFS0597G]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
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ITA Nos. 5195 to 5197/MUM/2025
(AY: 2020-21 to 2022-23)

Tirthankar Multiventure & Co. 10-21, 15 th Floor MZ, Flox Chambers, Opera House, Tata Road No. 1, Mumbai – 400004. [PAN: AAOFT9500A]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
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ITA Nos. 5107 to 5110/MUM/2025
(AY: 2020-21 to 2022-23)

Aarohi Creation LLP 2 nd Floor, Office No. 212, New DTC, Hath Falia, Haripura, Surat, Gujarat - 395003 [PAN: ABFFA0365C]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
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**ITA Nos. 5111 to 5116/MUM/2025
(AY: 2016-17 & 2018-19 to 2022-23)**

Rati Diamonds Private Ltd. 2 nd Floor, Office No. 212, New STC, Hath Falia, Haripura, Surat, Gujarat – 395003. [PAN: AAHCR2255E]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
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**ITA Nos. 4790, 4805 & 4791/MUM/2025
(AY: 2020-21 to 2022-23)**

Atharv Star India Pvt. Ltd. Ground Floor, shop No. 15, Kasturi Heights, Near RBK School, Even Park Road, Mira Bhayandar, Thane, Maharashtra – 401105. [PAN: AASCA9374J]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
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**ITA Nos. 5203 to 5205/MUM/2025
(AY: 2020-21 to 2022-23)**

Avanti ParshavMultiventure Private Ltd. Mezzanine Floor, M-15, Flox Chambers, Opera House, Tata Road No. 1, Mumbai – 400004. [PAN: AASCA2500L]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
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ITA No. 5147/MUM/2025 (AY: 2022-23)

Devendra Kumar Nama Sarawgi Mohall, Ward 19, Peesangan, Ajmer, Rajasthan - 305204 [PAN: BOTPN3603J]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
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ITA No. 5149/MUM/2025 (AY: 2019-20)

Hemant Kumar Mewara Mezzanine Floor, M-4, 10/21, Flox Chambers, Opera House, Tata Road No. 1, Mumbai – 400004. [PAN: BGPPM0430A]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
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ITA No. 5148/MUM/2025 (AY: 2019-20)

Sarven Sanjay Bhawe Mezzanine Floor, M-15, Flox Chambers, Opera House, Tata Road No. 1, Mumbai – 400004. [PAN: CPUPB7758H]	Vs	DCIT Central Circle – 5(2), Mumbai Room No. 427, Kautilya Bhawan, BKC, Bandra East, Mumbai – 400051.
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Assessee by	Shri Hemanshu Gandhi, CA
Revenue by	Shri Surendra Mohan, Sr. DR
Date of hearing	12.11.2025
Date of pronouncement	19.11.2025

Order under section 254(1) of Income Tax Act

PER BENCH:

1. These group of 37 appeals, all directed by different assesses against the separate orders of Id. CIT(A)/NFAC for various assessment years. In all appeals, all the assessee have raised similar ground of appeal, facts in all the appeals are almost similar except variation of addition on account of accommodation entry and commission income for providing such entries either in the form of sale or purchases or loans. Thus, with the consent of parties, all appeals were clubbed, heard together and are decided by common order to avoid the conflicting decision. For appreciation of fact, facts in case of Lokesh Kumar Khabya in A.Y. 2016-17 is treated as lead case. The assessee has raised following grounds of appeal:

"1. On the facts and circumstances of the case and in law, the Ld CIT(A) erred in confirming reassessment proceedings u/s 148 of the Income Tax Act, 1961 which is bad in law and required to be quashed.

2. On the facts and circumstances of the case and in law, the Id 2 CIT(A) failed to consider that, no other addition is permissible if no addition made on the basis of reasons recorded for reopening.

3. On the facts and circumstances of the case and in law, the Ld 3 CIT(A) failed to considered that additions cannot be made without any incriminating material in unabated assessment.

4. On the facts and circumstances of the case and in law, the Ld CIT(A) erred in treating the appellant as entry provider without considering the fact that the appellant is genuine diamond trader and all the transaction in books of accounts are genuine and there is no corroborative evidence that the appellant is entry provider.

5. *On the facts and in the circumstances of the case and in law, the Ld. CIT(A) erred in relying on the report of Investigation 5 Wing, statements of the third party and the appellant which was subsequently retracted, without having any tangible material in support of the same.*

6. *On the facts and circumstances of the case and in law, the Ld. 6 CT(A) erred in confirming the rejection of books of accounts u/s 145(3) of the Income Tax Act, 1961.*

7. *On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in confirming the validity of assessment proceedings under section 147 despite books of accounts are rejected u/s 145(3) and income computed on estimated basis of commission and thus the order passed u/s 147 is bad in law and required to be quashed.*

8. *On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in confirming addition of estimated commission income of Rs. 1,26,21,014/- being 0.5% of total purchases and sales without mentioning any provision of the Income Tax Act, 1961.*

9. *On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in confirming addition of estimated commission income of Rs. 60,08,664/- being 3% of total loans and advances without mentioning any provision of the Tax Act, 1961. Income Tax Act, 1961.*

10. *WITHOUT PREJUDICE GROUND NO 1 TO 9, On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in confirming commission income on entire purchases, sales and loan and advances transactions without excluding the group transaction and allowing deduction of expenses for earning such commission income.*

11. *WITHOUT PREJUDICE GROUND NO 1 TO 9, On the facts and circumstances of the case and in law, the Ld. CIT(A) failed to considered that the rate of commission adopted by department is very high and excessive.*

12. *On the facts and circumstances of the case and in law, the Ld CIT(A) erred in confirming the action of Ld AO in charging interest under section 234B of the Income Tax Act, 1961. 13. On the facts and circumstances of the case and in law, the Ld 10 CIT(A) erred in confirming the action of Ld AO in initiating penalty proceedings under section 271(1)(c) of the Income Tax Act, 1961. 14. Appellant craves leave to add further grounds OR to amend OR alter the existing grounds of appeal on or before the date of hearing."*

2. Rival submissions of both the parties have been heard and record perused.

The learned Authorised Representative (Id. AR) of the assessee that though the assessee has raised multiple grounds of appeal in all the appeals in all years. However, for adjudication of all the appeals, all appeals may be divided into two group i.e. first group of appeal wherein the reopening / re-assessment was initiated on the basis of information gathered in search action and further information received on the basis of insight portal of department that assessee is a beneficiary of bogus accommodation entry of loans and advances and sale and purchase. However, no such addition on account of beneficiary, rather the assessee was treated as entry provider and income was estimated on the basis of nature of entry allegedly provided. Thus, admittedly, no addition was made on the basis of reasons recorded; therefore, the assessment orders in those cases are bad in law. The Id AR of the assessee submits that he has already filed copy of reasons recorded and the copy of assessment order in all these appeals. While carrying us through such reasons recorded would submit that ultimately the assessing officer made additions other than the reasons recorded. To support such submission, the Id. AR relied on the decision following decision:

- PCIT vs Lark Chemicals (P) Ltd. (2018) 99 taxmann.com 312 (SC)
- CIT vs Jet Airways (I) Ltd. (2010) 195 Taxman 117 (Bombay)
- CIT vs Mohmed Juned Dadani (2013) 30 taxmann.com 1 (Gujarat)
- Solvex Interchem Pvt. Ltd. vs ACIT ITA No. 6973/Mum/2018
- Basant Dharmichand Jain vs DCIT Central Circle 1(3), Mumbai ITA No. 373/Mum/2022

3. The Id. AR provided the details of such appeals wherein the ratio of his aforesaid submissions are applicable in the following cases:

- Lokesh Kumar Khabya (ITA No. 5100/M/2025) (AY 2016-17)
 - Lokesh Kumar Khabya (ITA No. 5101/M/2025) (AY 2017-18)
 - Rati Diamonds P Ltd. (ITA No. 5111/M/2025) (AY 2016-17)
 - Rati Diamonds P Ltd. (ITA No. 5112/M/2025) (AY 2018-19)
 - Hemant Kumar Mewara (ITA No. 5149/M/2025) (AY 2019-20)
 - Sarven Sanjay Bhawe (ITA No. 5148/M/2025) (AY (2019-20))
4. For rest of the appeals, the Id. AR of the assessee submits that a search action under section 132 was carried by investigation wing on ARC group Mumbai on 15.02.2022, wherein it was alleged that the said group was availing accommodation entry through various entities. Later on search action was carried on Lokesh Khabya Group on 05.07.2022, wherein certain evidences was found and seized. Statement of certain key persons were recorded, wherein they stated that they are charging 10 paise to 14 paise per hundred rupees. The investigation wing opined that Lokesh Khabya Group was providing accommodation entry of sales, purchase and loans on accepting commission for providing such entries. Assessing officer rejected the books of account and estimated addition on account of income as entry operator. The assessing officer made addition on account of commission on sale and purchase @0.5% of such sale and purchase and 3.00% on loan amount. The addition made by assessing officer was confirmed by Id. CIT(A). The assessing officer while making @ 0.50% of sale and purchase relied upon the statement of assessee or their main operator. The finding of assessing officer are contrary to the statement relied by him. Similarly, for addition of 3.00% of loan amount, the Id. AR of the assessee submits that addition of loan amount @ 3.00% is on higher side. The Income Tax Department in case of various other similar entry providers made addition

ranging from 0.02% to 0.20% on transactions of sale and purchases @ 0.50% on the transaction of loans. Though against such addition those assessee filed appeal before Tribunal, however, no relief was granted neither such order was revised by department. To support his submission, the Id. AR relied upon the Surat Bench in Sanjay Kumar Choudhary (HUF) vs ACIT (2022) 136 taxmann.com 151 (Surat) & PCIT vs Alag Securities (P) Ltd. (2020) 117 taxmann.com 292 (Bombay). The Id. AR of the assessee submits that Hon'ble Bombay High Court in PCIT vs Alag Securities (P) Ltd. while referring the various other decision upheld the addition of commission income only @ 0.1% to 0.15%. The Id. AR of the assessee submits that in a recent decision Mumbai Tribunal in Buniyad Chemicals Ltd. vs ACIT in ITA No. 2421 & 2422/Ahd/2011 dated 18.10.2024 restricted the similar addition of sale and purchase to the extent of 0.15%. The assessee were allowed expenses against such addition. The Id. AR of the assessee further submits that transaction in case of group concerns are to be excluded while computing the commission income as has been held by Surat Bench in Sanjay Kumar Choudhary (HUF) vs ACIT (2022) 136 taxmann.com 151 (Surat). The Id. AR of the assessee submits that one cannot earn income from his own group or own concern, therefore, such transactions were excluded while computing commission income.

5. On the other hand, Id. Senior Departmental Representative (Id. Sr. DR) for the revenue supported the order of lower authorities. The Id. Sr. DR for the revenue submits that assessing officer while estimating commission on sale and purchase as well as on loan transaction made a reasonable estimation.

All such additions are based on the statement of key persons of assessee group, wherein they have admitted such commission income. The assessee does not deserve any further relief. On the submissions of Id AR of the assessee that in certain cases, the assessing officer made different addition than the basis of reasons recorded, the Id Sr DR for the revenue submits that at the time of reasons recorded, the assessing officer has to form a prima-facie opinion that income of the assessee has escaped from assessment and not final conclusion. Thus, he supports the orders of lower authorities on both sets of appeals.

6. We have considered the rival submissions of both the parties and have gone through the orders of lower authorities carefully. We have also deliberated on various case laws relied by Id. AR of the assessee. Firstly, we are considering the plea of Id. AR of the assessee on the first six set of appeals wherein the main contention of Id. AR of the assessee is that no addition can be made in case of reassessment, if no addition is made on the basis of reasons recorded. We have perused the reasons recorded in case of Lokesh Kumar Khabya which is available on page no. 1 to 11 of factual paper book (ii). On perusals of reasons recorded, we find that reassessment was initiated on the basis of information that a search action was carried out on assessee and on the basis of information on insight portal that the assessee is a beneficiary of bogus accommodation entry in the form of loans and advances and sale and purchase aggregating of Rs. 1.66 crore. We find that no such addition as a beneficiary of accommodation entry was made against the assessee. Rather, the assessee was treated as accommodation entry provider. His books of

account were rejected and his income was estimated as commission income of Rs. 1.26 crore being 0.5% on total sale and purchase and Rs. 6.08 lacs being 3.00% of total loans and advances assumed by assessing officer. Thus, no additions were made on the basis of reasons recorded.

7. We find that similar reasons for A.Y. 2018-19 were recorded against the assessee that assessing officer was having information from insight portal through DDIT (Inv.), Surat wherein the assessee has made transaction with nine entities who were indulged in activities of routing funds in gems and Diamonds Company on multiple occasions. However, no such addition was made by assessing officer. Rather, additions were made on account of commission income for providing sale and purchase and loans and advances were made.
8. Similarly, in case of Rati Diamonds P Ltd. in A.Y. 2016-17 in ITA No. 5111/M/2025, the assessment was reopened on the basis of information that search and seizure action was conducted in case of ARC Group and that Rati Diamonds P Ltd. (assessee) is beneficiary of accommodation entry. Such reasons recorded are available on page no. 26 to 33 of factual paper book (ii). However, the assessing officer made addition by treating the assessee as entry provider and estimated his income instead of beneficiary. Similar addition was made for A.Y. 2018-19 in ITA No. 5112/M/2025.
9. In case of Hemant Kumar Mewara in A.Y. 2019-20 in ITA No. 5149/M/2025, the assessing officer initiated reassessment proceeding by recording reasons that search and seizure action was carried out in case of ARC Group and that assessee was intermediary was providing accommodation entry. The

assessing officer doubted the transaction of assessee with Lokesh Kumar Khabya aggregating to Rs. 121.60 crore. The reasons recorded are available at page no. 54 to 79 of factual paper book. On the contrary, while passing the assessment order, the assessee was treated as entry provider and rejected his books of account and estimated commission @ 0.5% on total sale and purchase.

10. Similarly, in case of Sarven Sanjay Bhave in A.Y. 2019-20 in ITA No. 5148/M/2025, the assessing officer initiated reassessment proceedings on the basis of search and seizure action carried out on ARC Group wherein the assessing officer recorded that assessee was intermediary were providing accommodation entry with Lokesh Kumar Khabya. However, while passing the assessment order, the assessing officer treated the assessee as entry provider and rejected his books of account and estimated income @0.5% to total sale and purchase.

11. We find that Hon'ble Bombay High Court in CIT vs Jet Airways (I) Ltd. (supra) held that assessing officer has to assess or reassess income (such income) which escaped assessment and which was basis of formation of belief and if he does so, he can also assess or reassess any other income which has escaped assessment and which comes to his notice during course of proceedings. However, if after issuing a notice under section 148, he accepts contention of assessee and holding that income, for which he had initially formed a reason to believe that it had escaped assessment, has, as a matter of fact, not escaped assessment, it is not open to him to independently assess some other income. If the assessing officer intends to

do so, a fresh notice under section 148 would be necessary. Similar view was taken by Bombay High Court in PCIT vs Lark Chemicals (P) Ltd. and SLP before Supreme Court was dismissed vide (2018) 99 taxmann.com 312 (SC).

12. We find that similar view was taken by Hon'ble Gujarat High Court in CIT vs Mohmed Juned Dadani (supra). Thus, in view of the aforesaid factual and legal view taken by higher courts, we may safely conclude that assessing officer recorded reasons on a particular issue about escapement of income and no such additions were made, which were basis of such reasons recorded, however, the additions were made on different issue. Thus, no such addition is justified in the reassessment proceedings. Thus, all six appeals as mentioned in para-3 above are allowed on primary submission of Id. AR of the assessee.

13. So far as, other grounds of appeal in remaining other appeals are concerned, we find that pursuant to search action of Lokesh Kumar Khabya group on 05.07.2022. The case of all assesses were centralised and assessment was completed under section 147 r.w.s. 144B. The assessing officer made addition on account of sale and purchase entry @0.5% of such transaction and @ 3.00% of loan amount. We find that the assessing officer while making @ 0.50% of sale and purchase relied upon the statement of assessee or their main operator. The finding of assessing officer are contrary to the statement relied by him. On perusal of statement of statement of Lokesh Khabya, particularly answer to question No. 50 of the statement, copy of which is available at page No. 27 of PB, we find that premium is calculated on daily basis outstanding at the rate of 12 paisa. However, the assessing

officer in para 4.13 of his order concluded that "Lokesh Khabya and Sourabh Sethi has accepted that the commission charges for providing entry ranges from 10 to 50 paisa for every Rs. 100/-. This essentially means 10% to 50% of the amount charges as interest on the outstanding loans. And that considering the statement they used to charge interest 6% to 12% interest per annum on the loan entry given. The assessing officer works out commission on loan from 2% to 3% and ultimately added/ estimated 3.00% on total loan transaction and 0.5% on total sales and purchase transaction. We find that such basis of estimation is contrary to the statement of the assessee or his key persons. No evidence is brought on record by assessing officer. Before Id CIT(A) the assessee filed voluminous submissions and also relied on various case laws in support of his contentions that estimation of income is on higher side. The Id. CIT(A) confirmed the action of assessing officer.

14. We find that Hon'ble Bombay High Court in PCIT vs Alag Securities (P) Ltd. (supra) on the question of law in restricting the addition made by assessing officer on similar estimation of income in case of entry provider, upheld the estimation of similar income @ 0.1% to 0.15%. We further find that in case of similar entry provider, in case of Sanjay Kumar Choudhary who was a part of Rajendra Jain group, the assessing officer made addition from @0.02% to 2.0% and 0.50% of loan outstanding at the year end. Though, further appeal upto Tribunal was dismissed by those assesses.

15. We further, find that in a recent decision in *Buniyad Chemicals Ltd. vs ACIT* (supra), the co-ordinate bench of Tribunal by following the various other decision passed the following order:

"5. We have considered the rival contention of both sides in light of records placed before us. The Ld. CIT(A) confirmed the addition made by the Ld. AO as assessee failed to identify the beneficiaries. The Ld. CIT(A) however noted that assessee was carrying out the activity of providing accommodation entries for commission varying to 0.25% to 0.5% and from the statement recorded for the year under consideration, it was noted by the Ld. CIT(A) rate of Commission was nothing less than 0.37%.

*5.1 Before us, the Ld. AR vehemently relied on the decision of Co-ordinate Bench of the Tribunal in similar facts like that of assessee for Assessment Year 2008-09. This Tribunal rejected the contention of the Revenue to treat the entire deposit as unexplained cash credit. This Tribunal observed that: "The theory of Assessing Officer to treat the entire deposit as unexplained cash credits, cannot be accepted in the light of assessment orders in the case of beneficiaries and also in the light of the fact that assessee is only concerned with the commission earned on providing accommodation entries. We, therefore, of the view that since the assessee itself has declared the commission on turnover at 0.15% which is more than the percentage considered to be reasonable by the Tribunal in the case of *Palresha & Co* and *Kiran & Co* (supra), the same should be accepted. We, accordingly, accept the commission declared by the assessee and set aside the order of the CIT (A) in this regard."*

*5.2 The above view was taken in case of *M/s Goldstar Finvest Put. Ltd.* by Co-ordinate Bench of this Tribunal in ITA Nos. 6114 to 6120/Mum/2012 vide order dated 01.06.2016.*

*It is further submitted by the Ld. AR that the above decision in case of *M/s Goldstar Finvest Put. Ltd.* was subject matter of appeal before Hon'ble High Court in ITA No. 1729/2016 wherein Hon'ble High Court vide order dated 01.04.2019 on similar issue observed as under:*

4. In our opinion, the entire issue is based on facts. The estimation of the rate of commission of the Assenee would always be subject matter of some guesswork. No precise formula could be applied.

The Tribunal having taken into consideration the relevant factors, has arrived at a certain percentage of commission that any such kind of activities could be expected to be derived from. This does not give rise to any substantial question of law.

5. The Revenue also disputes the expenditure allowed by the Tribunal on such activities. Here also, for the same reasons cited above, in our opinion, no question of law arises.

6. In the result, the Appeals are dismissed."

3. We are conscious that unlike in case No.54/17 and connected Appeals, in the present case, the Assessing Officer had added the entire sum not limiting to the commission charged. However, CIT (A) had applied the percentage of commission deleting the rest of the additions.

4. In the result, Income Tax Appeal is dismissed."

5.3 Considering the fact that these appeals pertain to very old Assessment Years no purpose would be served by remanding to the Ld. AO to adjudicate these issues afresh as due to the time lapse there will be lot of documents and personal verification which could not be made available.

Respectfully following view taken by Hon'ble High Court in case of M/s. Goldstar Finvest Pvt. Ltd. (supra), we restrict the addition to 0.15% of the deposits made in the bank account of the assessee.

Accordingly, the additional ground no. 3 raised by the assessee is partly allowed.

All other grounds are not adjudicated following the view taken on similar facts and circumstances by Hon'ble Bombay High Court (supra).

In the result, appeal filed by the assessee is partly allowed."

16. Thus, in view of aforesaid factual and legal discussion, we have independently examined the assessment order, order of Id CIT(A) and the nature of additions made by assessing officer. On considering all such material and by following the ratio order of Jurisdictional High Court in PCIT vs Alag Securities (P) Ltd. (supra) direct the assessing officer to restrict the addition of commission income on the transaction of loans to the extent of 0.50% on outstanding liability of loan at the end of financial year and in case of sale and purchase to the extent of 0.40% of such transaction. Thus, all the assesses are allowed part relief on estimation of commission income.

17. We, further, find that assessing officer while estimating commission income considered all intra group transaction. Therefore, considering the fact that no such commission income can be earned by assessee from its own transaction. The assessing officer is directed to exclude such transactions which are within group concern. Thus, the grounds of appeal with regard to rate of commission are allowed and the assessing officer is directed to exclude the transaction of group concerns while computing the commission income.

18. We noted that the assessee has raised multiple grounds of appeal in all the appeal however, at the time of making his submissions the Id AR of the assessee has neither made any submissions on other grounds of appeal, except which we have considered hereinabove, thus, all other grounds of appeal are treated as not pressed and dismissed as such.

19. In the result following six appeals are allowed;

- (1) Lokesh Kumar Khabya (ITA No. 5100/M/2025) (AY 2016-17)
- (2) Lokesh Kumar Khabya (ITA No. 5101/M/2025) (AY 2017-18)
- (3) Rati Diamonds P Ltd. (ITA No. 5111/M/2025) (AY 2016-17)
- (4) Rati Diamonds P Ltd. (ITA No. 5112/M/2025) (AY 2018-19)
- (5) Hemant Kumar Mewara (ITA No. 5149/M/2025) (AY 2019-20)
- (6) Sarven Sanjay Bhawe (ITA No. 5148/M/2025) (AY (2019-20)

20. Further, following appeals are partly allowed;

- (1) Lokesh Kumar Khabya (ITA No. 5102/M/2025) (AY 2019-20)
- (2) Lokesh Kumar Khabya (ITA No. 5103/M/2025) (AY 2020-21)
- (3) Lokesh Kumar Khabya (ITA No. 5104/M/2025) (AY 2021-22)
- (4) Lokesh Kumar Khabya (ITA No. 5105/M/2025) (AY 2022-23)
- (5) Lokesh Kumar Khabya (ITA No. 5106/M/2025) (AY 2023-24)
- (6) Saurabh Sethi (ITA No. 5198/M/2025) (AY 2020-21)
- (7) Saurabh Sethi (ITA No. 5199/M/2025) (AY 2021-22)
- (8) Saurabh Sethi (ITA No. 5200/M/2025) (AY 2022-23)
- (9) Saurabh Sethi (ITA No. 5201/M/2025) (AY 2023-24)
- (10) Shree Riddhi Siddhi & CO (ITA No. 5150/M/2025) (AY 2019-20)
- (11) Shree Riddhi Siddhi & CO (ITA No. 5151/M/2025) (AY 2020-21)

- (12) Shree Riddhi Siddhi & CO (ITA No. 5152/M/2025) (AY 2021-22)
- (13) Shree Riddhi Siddhi & CO (ITA No. 5153/M/2025) (AY 2022-23)
- (14) Tirthankar Multiventure & Co (ITA No. 5195/M/2025) (AY 2020-21)
- (15) Tirthankar Multiventure & Co (ITA No. 5196/M/2025) (AY 2021-22)
- (16) Tirthankar Multiventure & Co (ITA No. 5197/M/2025) (AY 2022-23)
- (17) Aarohi Creation LLP (ITA No. 5107/M/2025) (AY 2019-20)
- (18) Aarohi Creation LLP (ITA No. 5108/M/2025) (AY 2020-21)
- (19) Aarohi Creation LLP (ITA No. 5109/M/2025) (AY 2021-22)
- (20) Aarohi Creation LLP (ITA No. 5110/M/2025) (AY 2022-23)
- (21) Rati Diamonds P Ltd. (ITA No. 5113/M/2025) (AY 2019-20)
- (22) Rati Diamonds P Ltd. (ITA No. 5114/M/2025) (AY 2020-21)
- (23) Rati Diamonds P Ltd. (ITA No. 5115/M/2025) (AY 2021-22)
- (24) Rati Diamonds P Ltd. (ITA No. 5116/M/2025) (AY 2022-23)
- (25) Atharv Star India Pvt. Ltd. (ITA No. 4790/M/2025) (AY 2020-21)
- (26) Atharv Star India Pvt. Ltd. (ITA No. 4805/M/2025) (AY 2021-22)
- (27) Atharv Star India Pvt. Ltd. (ITA No. 4791/M/2025) (AY 2022-23)
- (28) Avanti Parshva Multiventure Pvt. Ltd. (ITA No. 5203/M/2025) (AY 2020-21)
- (29) Avanti Parshva Multiventure Pvt. Ltd. (ITA No. 5204/M/2025) (AY 2021-22)
- (30) Avanti Parshva Multiventure Pvt. Ltd. (ITA No. 5205/M/2025) (AY 2022-23)
- (31) Devendra Kumar Nama (ITA No. 5147/M/2025) (AY 2022-23)

Order was pronounced in the open Court on 19/11/2025.

Sd/-

**PADMAVATHY S
ACCOUNTANT MEMBER**

Sd/-

**PAWAN SINGH
JUDICIAL MEMBER**

MUMBAI, Dated: 19/11/2025
Biswajit

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Mumbai; and
- (5) Guard file.

By Order

Assistant Registrar
ITAT, Mumbai