

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

श्री संजय गर्ग, न्यायिक सदस्य एवं
श्री मकरंद वसंत महादेवकर, लेखा सदस्य के समक्ष।
Before Shri Sanjay Garg, Judicial Member And
Shri Makarand V. Mahadeokar, Accountant Member

आयकर अपील सं/ITA No.940/Ahd/2025
निर्धारण वर्ष/Asst.Year 2015-16

The ACIT Central Circle-2(1) Ahmedabad - 380 009	बनाम/ v/s.	Satyanarayan Jagannath Kabra 10, Amam Villa Bungalows Hebatpura, Thaltej Ahmedabad - 380 014 PAN: ADGPK 2858 M
अपीलार्थी/ (Appellant)	..	प्रत्यर्थी/ (Respondent)

AND

Cross Objection No.47/Ahd/2025 - निर्धारण वर्ष /AY 2015-16
(in ITA No.940/Ahd/2025 - AY 2015-16)

Satyanarayan Jagannath Kabra 10, Amam Villa Bungalows Hebatpura, Thaltej Ahmedabad - 380 014 PAN: ADGPK 2858 M	v/s.	The ACIT Central Circle-2(1) Ahmedabad - 380 009
(Cross Objector)	..	(Respondent)

Assessee by :	Shri Sakar Sharma, AR
Revenue by :	Shri Rignesh Das, CIT-DR

सुनवाई की तारीख/Date of Hearing : 12/11/2025
घोषणा की तारीख /Date of Pronouncement: 09/02/2026

Per Sanjay Garg, Judicial member:

The captioned is an appeal by the Revenue and corresponding cross objections by the assessee preferred against the order dated 18/02/2025 passed by the Learned Commissioner of Income Tax (Appeals)-12, Ahmedabad (hereinafter referred to as "the Ld.CIT(A)"), arising out of the

assessment order dated 15/09/2021 passed by the Assessing Officer (AO) u/s.143(3) r.w.s. 147 of the Income Tax Act, 1961 (hereinafter referred to as "the Act") relevant to the Assessment Year (AY) 2015-16. The same were heard together and are being disposed of by this common order for the sake of convenience.

Revenue's appeal in ITA No.940/Ahd/2025

2. First, we take up the Revenue's appeal, wherein, the Revenue has raised the following grounds of appeal:

"1. In the facts and on the circumstances of the case and in laws, the Ld.CIT(A) has erred in deleting the addition of Rs. 8,05,59,000/- being unaccounted cash receipt without considering the fact of the case that as per the notings in the ledgers, it was clear that the assessee has taken cash receipt and the assessee has not furnished any explanation as to on what account these cash has been received.

2. In the facts and on the circumstances of the case and in law, the Ld.CIT(A) has erred in deleting the addition of Rs.2,50,000/- being unaccounted commission income without considering the fact of the case that no such commission was offered by the assessee in his return.

3. In the facts and on the circumstances of the case and in law, the Ld.CIT(A) failed to appreciate that the transactions in question are unaccounted transactions, for which the parties do not keep the record and the same is done on the basis of mutual trust between the parties and hence transactions recorded in coded form by any of the partly is accepted by the other transacting partly.

4. In the facts and on the circumstances of the case and in law, the Ld.CIT(A) failed to appreciate that the HIM Group before the Hon'ble ITSC has duly disclosed additional income as attributable to the total turnover of "Training Module" which proves the authenticity of the ledgers in the Training Module.

5. The Revenue craves leave to add/alter/armed and/or substitute any or all of the grounds of appeal."

3. The brief facts of the case are that during the survey action u/s.133A of the Act carried out at the case of M/s. HJM Group, wherein, certain incriminating material were found, out of which, one was the copy of the ledger in which the details of certain transactions were noted both in cash and

transactions done through the banking channel. The name of the concerned person with whom the said transactions were noted was mentioned as 'Satubhai Kabra'. The Assessing Officer (AO) has taken a view that the said 'Satubhai Kabra' mentioned in the ledger was the short-name of the assessee Satyanarayan Jagannath Kabra. The AO, accordingly, noted that there were transactions of Rs.8,05,59,000/- which were not disclosed by the assessee in his books of accounts and further that the assessee had also earned a sum of Rs.2,50,000/- on account of commission income, which was not accounted for. The AO, therefore, made the impugned addition in the name of the assessee on account of unaccounted income/undisclosed transactions with the aforesaid Group. However, in view of our observation made above, the additions are not liable to be sustained on merits.

4. Before the Ld. CIT(A), the assessee claimed that the assessee has not done transactions with the M/s.HJM Group and that the assessee had nothing to do with the said transactions as the assessee has not carried out any business transactions during the year under consideration. Further, the name 'Satubhai Kabra', did not belong to the assessee and that was a very common name in the city. It was also pleaded that the transactions in the said ledger also recorded banking transactions, however, there was no such transaction carried out in the bank account of the assessee. The Ld. CIT(A) considering the above submissions observed that various transactions contained bank account number and UTR and number of RTGS with the name of bank and these RTGS were done through banking channel. However, the AO has not made any independent enquiry about the bank account nor from M/s.HJM Group which had maintained the aforesaid ledger and no one confirmed that the said transactions belonged to the

assessee. He observed that the AO could not establish from any evidence that the name 'Satubhai Kabra' mentioned in the seized ledger was that of the assessee or that the assessee had done any alleged transactions with M/s.HJM Group. The Ld. CIT(A), therefore, deleted the impugned additions, so made by the AO.

4.1. After going through the detailed order of the Ld. CIT(A), we find that the Ld. CIT(A) has categorically noted that the AO has made the impugned additions assuming that the transactions noted in the ledger found during the survey action in the case of M/s.HJM Group belonged to the assessee. However, the AO could not correlate the said transactions with the assessee, even the transactions done through the banking channel. Under the circumstances, we do not find any infirmity in the order of the Ld. CIT(A) in deleting the additions made by the AO. There is no merit in the appeal of the Revenue and the same is hereby dismissed.

Assessee's CO No.47/Ahd/2025 (in ITA No.940/Ahd/2025 for AY 2015-16)

5. In his Cross Objections, the assessee has raised the issue of validity of the reopening of the assessment.

"1. The Kld. CIT(A) erred on facts and in law in confirming validity of assessment u/s.143(3) r.w.s.147 of the Act on untenable grounds.

2. The Ld. CIT(A) erred on facts and in law in confirming validity of assessment u/s.143(3) r.w.s. 147 of the Act without appreciating that reopening in the case of the appellant was a clear case of mistaken identity.

3. The ld. CIT(A) erred on facts and in law in confirming validity of assessment u/s.143(3) r.w.s. 147 of the Act without appreciating that reopening in the case of the appellant was impermissible in as much as no incriminating material was found. During search action which took place on the appellant also and on which assessment u/s.153A was made.

4. The Ld. CIT(A) erred on facts and in aw in confirming validity of assessment u/s.143(3) r.w.s. 147 of the Act without appreciating that admission made before the

Settlement Commission is not binding on the other person who was not subjected to settlement proceedings."

6. So far as the Cross Objection filed by the assessee are concerned, the assessee has agitated the validity of the reopening of the assessment. We note that the assessee did not press the aforesaid ground before the Ld. CIT(A). Even we note that from the ledger found during the course of survey action in the premises of M/s.HJM Group, the AO noted that certain transactions were carried out in the name of 'Satubhai Kabra' and the AO was of the bonafide belief that the said name belonged to the assessee. Since the said transactions were not recorded in the account of the assessee, therefore, the AO *prima facie* was of the view that the income of the assessee has escaped assessment. We, therefore, do not find any infirmity in the action of the AO in reopening of the assessment. In view of this, there is no merit in the cross objections of the assessee and the same are accordingly dismissed.

7. In the result, the appeal of the Revenue as well as the Cross Objections filed by the assessee stand dismissed.

**Order is pronounced under provision of Rule 34 of ITAT Rules, 1963
on 09/02/2026.**

Sd/-
(Makarand V. Mahadeokar)
Accountant Member
दिनांक/Dated 09/02/2026

Sd/-
(Sanjay Garg)
Judicial Member

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

1. ँपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंघित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (ंपील) / The CIT(A)- (NFAC), Delhi
5. विभागीय प्रतिनिधि, आयकर ँपीलीय ँधिकरण ,ंहमदाबाद /DR, ITAT, Ahmedabad.
6. गार्ड फाईल /Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

सहायक पंजीकार (Asstt. Registrar)
आयकर ँपीलीय ँधिकरण, ITAT, Ahmedabad