

**IN THE INCOME TAX APPELLATE TRIBUNAL “G” BENCH, MUMBAI
BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT AND
SHRI JAGADISH, ACCOUNTANT MEMBER**

ITA No.	Assessment Years
3140/Mum/2025	2013-14
3141/Mum/2025	2014-15
3142/Mum/2025	2015-16
3143/Mum/2025	2016-17
3144/Mum/2025	2017-18
3145/Mum/2025	2018-19
3146/Mum/2025	2019-20

Superways Enterprises Pvt. Ltd., 1, 3 rd Floor, 14A, Sukhia Building, Cawasji Patel Road, Horniman Circle, For T, Mumbai - 400001	Vs.	DCIT, Central Circle 7(1), Mumbai – 400 020
(Appellant)	:	(Respondent)
PAN NO. AAACS 5416M		

and

ITA No.	Assessment Years
3972/Mum/2025	2013-14
3975/Mum/2025	2014-15
3976/Mum/2025	2015-16
3979/Mum/2025	2016-17
3993/Mum/2025	2017-18
4007/Mum/2025	2018-19

DCIT, Central Circle 7(1), Mumbai - 400020	Vs.	Superways Enterprises Pvt. Ltd., 1, Pearl Mansion N 91, M. Karve Road, Marine Lines, Mumbai - 400020
(Appellant)	:	(Respondent)
		PAN NO. AABCS 9242A

Appellant by	:	Shri Siddharth Srivastava
Respondent by	:	Shri Arun Kanti Datta, CIT-DR
(Appellant)		(Respondent)

Date of Hearing	:	21.01.2026
Date of Pronouncement	:	27.02.2026

ORDER

PER BENCH:

These are bunch of thirteen appeals, seven by the assessee and six by the Department, arising out of a common order dated 12.03.2025 of learned Commissioner of Income Tax (Appeal) [in short 'CIT(A)'], Mumbai pertaining to Assessment Years (AY) 2013-14 to 2019-20.

2. Appeals filed by the Revenue are with delay of two days. Having considered the submissions of learned Departmental Representative (DR), we are satisfied that the delay was due to reasonable cause. Accordingly, we admit the appeals for adjudication on merits.

3. While there are cross appeals for A.Ys. 2013-14 to 2018-19, in A.Y. 2019-20 appeal is by the assessee alone. Since appeals relate to same assessee and issues are identical, they have been clubbed together and disposed of in a consolidated order, for the sake of convenience. All the appeals are on the common issue of estimation of income by applying certain percentage on the sales turnover. Of course, there are incidental issues relating to disallowance of indirect expenses, depreciation etc. There are also issues relating to addition of 'unexplained cash credit' under section (u/s.) 68 of the Income Tax Act, 1961 (in short the 'Act'). However, facts relating to all these issues are more or less identical in all the assessment years in appeal. That being the case, we will proceed to deal with cross appeals relating to A.Ys.

2013-14 as lead matters and decision taken therein would apply *mutatis mutandis* to other appeals as well.

4. In Department's Appeal being ITA No. 3972/Mum/2025 A.Y. 2013-14 in total, eleven grounds have been raised. Ground Nos. 1 to 7 are on the issue of reduction of estimation of profits/income from 7% to 0.5% by learned First Appellate Authority. Whereas, Ground Nos. 8 and 9 are against allowance of assessee's claim of indirect expenses and depreciation. Ground Nos. 10 and 11 are on deletion of addition made u/s. 68 of the Act.

5. In so far as assessee's appeal, being ITA No. 3140/Mum/2025 is concerned, Ground No. 1 to 5 are on various legal issues challenging the validity of the impugned assessment order. Whereas Ground No.6, which is overlapping with Ground Nos. 1 to 6 of Department's appeal, is contesting the determination of additional income by applying the rate of 0.5% on the sales turnover. At the outset, we will address the core issue relating to estimation of additional income/ profit on the sales turnover.

6. Briefly the facts are, the assessee is a resident corporate entity. As stated by the Assessing Officer, the assessee is a wholesale trader in Steel. For the assessment year under dispute, the assessee filed its return of income on 22.08.2013, declaring income of Rs.2,82,73,730/-. Assessment in case of assessee was originally completed u/s. 143(3) of the Act vide order dated 05.03.2016 accepting the returned income. Subsequently, on 17.04.2018, a search and seizure operation u/s. 132 of the

Act was conducted in case of Jatia Group and other related groups including the assessee. The Developer's residential premises were also covered under the search operation. In course of search and seizure operation, books of account of the assessee maintained in tally software were seized. While examining the seized materials, Assessing Officer found that though the assessee is engaged trading in Steel goods however, there was no evidence to indicate actual movement of materials/goods. Thus, on analyzing the seized material found from assessee coupled with seized materials found from other group entities, the Assessing Officer noted that the assessee and other group entities without undertaking any genuine business activity were fabricating invoices to avail 'Letters of Credit' (LC) facilities from Bank by artificially inflating sales and purchase figure in their books of account to satisfy banks requirement. He observed that the entities in the group including the assessee have entering into back-to-back purchase and sales transactions with the same parties. He observed, the assessee purchases goods from one entity and sold to another entity in the group. Again, the assessee sales goods to the entity from whom it had purchased goods. Referring to material found during the search and seizure operation, the Assessing Officer observed that various entities of Topworth, Uttam Galva & Llyod Group of companies have created shell entities to enter into bogus transaction and generate huge turnover so as to avail LC facilities from Banks. He observed, the entities without entering into actual trading were generating invoices and making payment to parties within the group by discounting bills in the Banks. Thus, in a way, the entities have utilized the LCs for payment of bogus purchase/bills

to paper and Shell entities utilizing the funds of the Bank. In this context, the Assessing Officer has described the *modus operandi* of the assessee and other entities as under:-

“6.2.8 Modus operandi of these bogus entries:

- *First of all the company "A" (Uttam Group, Topworth Group & Llyod Group etc) creates a dummy company in the name of say "B".*
- *Now company B raises sales invoices to the company of Jatia Group (Say Company X).*
- *Company "X" made payment to company "B" through the L/C issued by the Bank.*
- *The company "B" got money without selling any goods but only for generating invoices.*
- *On the same day company "X" raises sale invoices (Purchase price + 2% to 4%/Rs. 100 to 150+ LC charges) to company "A" (i.e. main company Uttam Group or Topworth Group).*
- *Against this invoices company "A" make payment to company "X" through cheque/RTGS.”*

7. The Assessing Officer observed that a number of shell entities have been created within the groups to provide accommodation entries through bogus and inflated purchase and sales transaction. Referring to the post search enquiries, the Assessing Officer observed that except purchase registers, sales register, list of creditors and debtors, the assessee was unable to furnish any other documentary evidences such as purchase order, sale order, weighment slips, lorry receipt etc.

8. Referring to the financials of various entities within the group, he observed that most of the entities were found to be suspicious. Thus, ultimately, the Assessing

Officer concluded that the assessee has made purchases from one group company of Topworth Group and sold the same goods to another company of the very same group by adding small margin. Similarly, the assessee had purchased goods from one of the group entities of Llyods Group and sold to another entity of the very same group by adding small margin. Same is the case with the entities of Uttam Galva Group. In this context, the Assessing Officer also referred to the statements recorded from certain persons including the accountant of Mr. Vinod Jatia alleged to be the key person of Jatia Group. The Assessing Officer observed, the assessee and other group entities have illegally availed the LC facilities of the banks to enter into circular transaction, whereunder, no actual business activities have taken place but only accommodation entries were provided through bogus invoices. In this context, the AO referred to statement of Shri Devaashish Pal stated to be a Director of M/s Asuti Trading Pvt. Ltd., M/s. S2S Trading Pvt. Ltd. and M/s. Ballaeshwar Pipes and Tubes Pvt. Ltd. and M/s Uttam Pvt. Ltd. recorded u/s. 131 of the Act. Referring to the said statement, the AO alleged that the person concerned had clearly admitted that there was no actual business activities carried on by the entities. Based on aforesaid analysis of facts, Assessing Officer concluded that the books of account of the assessee have to be rejected u/s. 145(3) of the Act. Having done so, the Assessing Officer proceeded to estimate income at 7% on the sales turnover of the assessee. After reducing the business income offered by the assessee, the AO added back the differential amount of Rs.10,91,83,463/- to the income of the assessee. The assessee contested the aforesaid addition before learned First Appellate Authority.

9. After going through the entire gamut of facts, materials and evidences available on record and keeping in view the submissions made by the assessee as also the finding of the Assessing Officer, learned First Appellate Authority observed that the purchases and sales of the assessee were effected through consignee-consignee basis and goods were directly delivered to the customer by the selling party. He observed that assessee effects purchase of goods by making payment through LC facility availed from Banks. Once purchases are made, funds are immediately transferred to the seller through bill discounting. In other words, the bankers of the buyer as well as the seller are involved in the transactions. He observed, once the purchase and sales are effected, they are duly accounted for in the books of account of the purchasing and selling parties. Even, the income generated out of sale transaction gets accounted for in the books of the respective parties. He also recorded a finding of fact that some of the concerns appearing as sundry debtors in assessee's books were undergoing insolvency proceedings before National Company Law Tribunal (NCLT), against whom the assessee's claim aggregates to Rs.62,63,53,265/-. Though, learned First Appellate Tribunal agreed with the Assessing Officer that major part of the transactions are made with entities belonging to Llyods Group, Topworth Group and Uttam Galva Group, however, he observed, some transactions have also been made outside the group. Thus, considering these facts, he concluded that the purchase and sales transactions cannot be termed as bogus transactions to generate accommodation entries. Though they

may be in the nature of circular trading carried out with the objective of increasing the turnover to avail bank credit facilities.

10. He observed, through such transactions bank funds are made available to entities of Llyods, Topworth and Uttam Galva Group. However, he observed, since such transactions were carried out by using the funds of banks, it is for the banks to judge the misutilization of fund. Therefore, that will have no relevance from the point of view of income tax once it is established that income from such circular trading is disclosed to tax. He further observed that the accounts of the assessee have been duly audited both under the provisions of Income Tax Act as also under the Companies Act and the auditors have not made any adverse remark. He further observed that the AO has not pointed out any specific defect/deficiency in the books. He further observed, the AO has rejected the books of account merely for the reason that the assessee has shown low gross profit compared to the high-volume of purchases and sales, that too relying upon third-party statements. He observed, once the debtors shown in assessee's books of account have been accepted and admitted in the NCLT proceeding, the entries made in the books of account has to be considered as authentic hence the books of account cannot be rejected u/s. 145(3) of the Act.

11. Having held so, learned First Appellate Authority proceeded to evaluate the validity of estimation of income at 7% of sales turnover. While doing so, he observed, though purchase and sales transactions of the assessee cannot be treated

as bogus, however, it is a fact that the assessee and other group entities have mutually got benefited by misusing the LC facility of Banks. In the process, both the assessee and other group entities must have generated additional income. To that extent, he agreed with the finding of the AO. However, he was of the view that estimation of income at 7% of sales turnover is on a much higher side. Relying upon the order passed by the First Appellate Authority in case of another group entity M/s. Duli Trade & Commodities Pvt. Ltd., learned First Appellate Authority estimated the additional income at 0.5% of the sales turnover. Accordingly, he directed the AO to restrict the addition to Rs.1,01,59,654/-, being 0.5% of the total sales turnover.

12. Being aggrieved with the aforesaid decision of learned First Appellate Authority, both the Revenue and assessee are in appeal before us.

13. Learned Departmental Representative (DR) submitted, in course of search and seizure operation, incriminating materials were found indicating that assessee and group entities were involved in back to back purchase and sale transactions within the group utilizing the LC facilities of bank. He submitted, in the statement recorded from key persons in course of search and seizure operation, it was admitted that purchase and sale invoices were raised without actual movement and delivery of goods. He submitted, these facts certainly established that neither the assessee nor group entities were carrying out actual purchase and sales transactions. He observed, by utilizing the LC facilities assessee and other group entities are using banks funds for their own purpose without carrying on any genuine business activities. He

submitted, though learned First Appellate Authority agreed with the AO that the assessee is involved in circular trading, however, he has reversed the decision of the AO in rejecting the books of account. Proceeding further, he submitted, after considering all relevant facts and circumstances, the AO has estimated the additional income at 7% of the sales turnover which is just and proper. He submitted, estimation of income at 0.5% is without any basis. Thus, he submitted, the addition made by the AO should be restored.

14. Per contra, learned counsel for the assessee submitted, the purchase and sales transaction of the assessee were duly supported by authentic documentary evidences including purchase and sales invoices, ledger confirmations, delivery challan, bank statement indicating payment through banking channel etc. He submitted, the transactions have been duly recorded in the books of account, which were under statutory audit both under the Income Tax Act and Companies Act. He submitted, the auditors have not pointed out any defect or deficiency in the books of account. He submitted, the fact that the payments for purchase and sales transaction have been made through LC facilities of the Bank has not been disputed by the AO which pre supposes that there is no introduction of cash to generate accommodation entries. Thus, he submitted, in these circumstances rejection of books of account was totally unjustified and improper. As regards estimation of income by applying certain percentage on sales turnover, learned counsel submitted, once the books of account were found to be in order, there is no question of assessee generating additional income outside the books. Therefore, even estimation of income at 0.5% by learned

First Appellate Authority is unsustainable. He submitted, otherwise the issue is squarely covered by various decisions of the Coordinate Benches in case of other group entities. In this context, he drew our attention to the following decisions:

1. DCIT vs. Supreme Holdings and Hospitality (India) Ltd. ITA No. 1437/Mum/2024.
2. DCIT vs. M/s A.P. Trading Co. ITA No. 1434/Mum/2024.
3. Shrilekha Trading P. Ltd. vs. ACIT ITA No. 2744/Mum/2025.
4. Subhkaran & Sons vs. DCIT ITA No. 2906/Mum/2025.
5. DCIT vs. Yardley Investment and Trading Company Pvt. Ltd. ITA No. 4725/Mum/2025.
6. Shyam Mahabirprasad Jatia vs. Income Tax Officer ITA No. 399-401/Mum/2024.
7. Indrajit Properties Pvt. Ltd. vs. DCIT ITA No. 2139/Mum/2025.
8. Indrajit Properties Pvt. Ltd. vs. DCIT ITA No. 2340/Mum/2025
9. ACIT vs. Elecmecc Engineering & Projects Pvt. Ltd. ITA No. 3055/Mum/2025.
10. Lloyds Metals and Energy Ltd. vs. DCIT ITA No. 2640/Mum/2025.
11. DCIT vs. Lloyds Metals and Energy Ltd., ITA No. 3997/Mum/2025.

15. We have given a thoughtful consideration to rival contentions in the light of judicial precedents cited before us and perused the materials on record. Undisputedly, as a result of search and seizure operation carried out in case of the assessee and other group entities, it came to the notice of the department that by utilizing the letter of credit facilities of banks, entities within three groups i.e. Llyods Group, Topworth Group and Uttam Galva Group had engaged in back-to-back

transactions. Based on statements recorded from certain individuals in course of search and seizure operation and post search proceedings, who are stated to be having knowledge of the modus operandi of business activities of the group entities, the Assessing Officer was of the view that without actually carrying on any business activity of purchase and sale of goods, the assessee and other group entities are merely generating bogus purchase and sales invoices to provide accommodation entries within the group. In the process, the entities in the group have mis-utilized LC facilities of the Banks. The AO has observed that no supporting evidences could be furnished by the assessee to demonstrate actual purchase and sales transaction through movement and delivery of goods.

16. Keeping in view the aforesaid reasoning of the AO, it is necessary to examine the relevant facts. Undisputedly, the assessee is trading in steel goods such as Cold Rolled coil, galvanized sheets etc. which are not only heavy in weight but voluminous. Therefore, it is not easy to transport them from one place to other frequently. That being the case, the purchase and sale is effected through consignor-consignee basis with generation of invoices and goods are directly delivered to the customer by the selling party. Therefore, there is no need for the assessee to store the goods. It is a fact on record that all purchases and sale transactions are through proper invoices and have been duly accounted for in the books of account of the assessee as well as the selling/purchasing party. The Assessing Officer himself admits that payments have been made by utilizing LC facilities and bill discounting. Payments relating to all transactions are reflected in the respective bank accounts.

Thus, it is evident that not only the purchase and sales transactions are duly accounted for but the payments relating to such transactions are through banking channel.

17. It is a fact on record that in course of assessment proceeding, assessee did furnish supporting evidences in support of purchase and sales. Sample copies of the purchase/sale invoices, delivery challan etc. have been reproduced in the assessment order itself. Merely because the assessee has carried out the transactions utilizing LC facilities provided by banks and the purchase and sale transactions are back-to-back within the group, it cannot be said that they are bogus. Moreso, when not even a single piece of evidence of introduction of cash by any of these entities to generate accommodation entries has been found either during the search and seizure operation or post search enquiry. Even, the AO is completely silent on the utilization of LC facilities for any purpose other than the purchase and sale transactions recorded in the books of account. Interestingly, though the AO has termed the purchase and sale transactions as bogus, however ultimately, he has proceeded to estimate the profits of business at 7% of sales turnover after rejecting the books of account. Such action of the AO, in a way, demonstrates that he accepts that the assessee has carried out the business transactions. Even, the AO has not provided any basis for estimation of additional income at 7% of the sales transaction. He has not stated, whether rate of 7% adopted is as per industry norms or any other reliable source. The rationale behind adopting 7% is totally missing. Thus, in our view, the addition made by the AO at 7% of sales turnover cannot be upheld.

18. Having held so, it is necessary to examine whether the estimation of income at 0.5% by the First Appellate Authority is justified. When learned First Appellate Authority has held that rejection of books of account is improper, we are unable understand how he can still proceed to estimate the income of the assessee even at 0.5% of the sales turnover. It is evident, relying upon an order passed in case of M/s. Duli Trade & Commodities Pvt.0.5% has been adopted. However, while deciding identical nature of dispute, in case of another group entity in Subhkaran & Sons (Supra), the Coordinate Bench has held as under:

“4. We have heard both the parties, perused the material placed on record, judgments cited before us and also the orders passed by the authorities below. Findings of the assessment order, based on which addition was made are summarised by the ld. CIT(A) as under:-

- a) The modus operandi followed by the group companies is that main company (Topworth Group, Uttam Group or Llyod Group) formed a shell company, which raises bogus sales invoices to the second company (Vinod Jatia group of companies). Second company made the payment to the shell company through the LC issued by the Bank. Thus, the shell company received the money without selling any goods, but only for generating bogus invoices.*
- b) During the course of search, post search and assessment proceedings, assessee could not produce basic details such as the stock register, transportation details, communication with vendor & customers, weighment slips, Gate pass, Lorry receipt, inward and outward register in order to prove the genuineness of the transaction and involvement of actual goods. Assessee has maintained that transaction had been taken place on consignor-consignee model. If the reply provided is considered, then no one was able to provide any details or explanation or evidence on manufacturer of goods, place where goods are stored, godown details, entire supply chain of the transaction, ultimate customers, manner in which order was placed, which shows there were no underlying goods involved in the entire transaction and it was mere paper entries entered within shell / paper entities.*
- c) It is seen from the money mapping that the payment received from one party is immediately transferred to other parties on same day. All the vendors and customers were potentially related amongst*

themselves on the basis of Common Key managerial person / common signatories /Common address. No credit guarantee / security obtained was from Topworth group of Companies and Uttam Galva Group of Companies. Entire purchases are backed by LC payment to vendors.

- d) The address of the party to whom the material had to be delivered is not available and in the absence of lorry receipts the actual movement of the goods could not be ascertained.*
- e) There is no evidence to substantiate whether any communication in the form of e-mails, facsimile or letters sent through courier or registered post ever took place between the assessee company and its vendor and customer during the trade.*
- f) While the assessee books a purchase of material from the concern, of say, Llyod group, then on the same day it books sale of equivalent amount of similar material from another entity of the Llyod group. While the payment for purchase is made immediately though Letter of credit and bill discounting, the sale proceeds are received after a gap of upto 180 days. Thus, the funds are allowed to be used by the Llyod group for that period.*
- g) Survey actions u/s 133A, field visit by the inspectors and the analysis of the financial statements reveal that the parties with whom such transactions were booked are shell companies, created on paper.*
- h) Directors, entry operators or key people of the parties with whom transactions were made have admitted during the search that no actual goods are delivered and only bills have issued against these bogus purchases.*
- i) From the perusal of the debtor ledgers, it is seen that interest on delayed payments and trade discounts were offered on the same invoices.*
- j) Interests on delayed payments were recovered at the time of receipts from parties and Trade Discounts were paid later. Further it is seen that, wherein the Trade Discounts were offered were at a higher percent as compared to the proportionate rate of interest on delayed payment.*
- k) Other Findings: - One debtor paying of the debts of another debtor, Bill discounting and Bank Charges had been reimbursed to Vendors during the year under consideration, Service Charges / LC Assisting Charges charged to customer, Transactions incurred at a loss post accommodation of LC charges.*

4.1. *Based on the findings listed above, ld. AO held that the books of accounts cannot be relied upon and thus, proceeded to reject the same u/s 145 of the Act, estimating income of the assessee @ 7% of the total sales turnover.*

5. *In the present case, the allegation is that assessee has booked back-to-back bogus sales and bogus purchases. Considering that both sales and purchases have been inflated and duly accounted for in the books of accounts, it doesn't seem that the transactions were carried out for suppression of income as noted by the ld. CIT(A) who then listed three issues for his consideration while adjudicating on the impugned addition made by the ld. Assessing Officer. The three issues listed by the ld. CIT(A) as are as under:*

- a) *What is the nature of transactions entered by the assessee?*
- b) *Whether the regular income generated from the transactions is disclosed?*
- c) *Whether any other income is earned by the assessee from these back-to-back transactions?*

5.1. *On the first issue, the modus operandi of the transactions given in the assessment order is explained by way of an illustration, which is as under:*

- a. *First of all, company "A" (Uttam Group, Topworth Group & Llyod Group, etc.) creates a dummy company in the name of say "B"*
- b. *Now company B raises sales invoices to the company of Jatia Group (say company X)*
- c. *Company "X" made payment to company "B" through LC issued by the Bank*
- d. *Company "B" got money without selling any goods but only for generating invoices*
- e. *On the same day, Company "X" raises sale invoices (Purchase price + 2% to 4%/Rs. 100 to 150 + LC charges) to company "A" (i.e. main company Uttam Group or Topworth Group)*
- f. *Against this invoice, Company "A" makes payment to company "X" through cheque/RTGS*

5.2. *The transactions in question can be said to be in the nature of 'circular trading' carried out with the objective of increasing the turnover and availing bank credit facilities. Through such transactions, bank funds are made available to the entities of Llyod, Topworth and Uttam group for their use. Since the transactions are carried out using the funds of the banks and therefore, it is for the banks to judge whether their funds were misused or otherwise. The responsibility for action on misuse of funds, if any, lies with the bank. What is relevant from the point of view of income-tax under the Act is whether the income from such circular trading is disclosed by the assessee or not.*

5.3. *In this respect, it was observed that the assessee had duly reflected the profits earned from such circular transactions in its books of*

accounts, subjected to audit. Id. CIT(A) gave his categorical fact-based finding in para 10.7 which is reproduced as under:

"10.7. From the chart reproduced above, it is seen that in the first step, purchase is made by the appellant for which the payment is made through letter of credit facility. The funds are immediately transferred to the seller through bill discounting. This implies that two banks, i.e., bank of the buyer and bank of the seller are involved in the transaction. **The purchase transaction is, thus, duly accounted for in the books of respective concerns.** From the chart given above, it can be seen that the money transferred in the first step is returned to the appellant against the sale bill raised by it. **This sale value, as per the invoice, comprises of the Purchase price + 2% to 4%/Rs. 100 to 150 + LC charges. This shows that a profit has been booked on the final step.** As per the chart given above, **appellant is involved in the first and the last step of the cycle and both these steps are duly accounted for. The income generated out of the sale transaction gets accounted for in the books.** Appellant has provided a chart which shows that the GP and NP shown by it is higher than the GP and NP shown by many of the group concerns of Topworth, Llyod and Uttam group. Appellant has submitted that the sales made to the concerns of the three assessee groups have been accounted and some entities of these groups are listed as sundry debtors in its books. Some of these concerns are undergoing insolvency proceedings before the NCLT and the claim of Rs 41,98,50, 127/- of the appellant against them stands admitted by the NCLT. **In view of the discussion above, it can be said that the regular income from the purchase and sale transactions has been accounted for by the appellant.**"

[emphasis supplied by us by bold and underline]

5.4. Since Id. CIT(A) concluded that profits are estimated on sales, figures of sales should be adopted and hence negated the stance of Id. AO who adopted higher of sales and purchase values for the purpose of estimation. In this respect, assessee submitted that it had offered much higher gross profit ratio in its trading activity as is evident from other comparable cases of genuine traders forming part of the written submission before the learned CIT(A). The working in this respect is tabulated below:

GROSS PROFIT OFFERED BY VINOD JATIA GROUP, TOPWORTH GROUP, LLOYDS GROUP AND UTTAM GALVA GROUP**FINANCIAL YEAR IN RESPECTIVE YEARS**

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
NAME OF COMPANIES						
VINOD JATIA GROUP OF COMPANIES						
Dilshad Trading Co. Pvt. Ltd	2.57%	1.46%	1.67%	0.39%	0.37%	0.00%
Makalu Trading Ltd	1.95%	1.44%	0.82%	0.58%	0.00%	0.00%
Shrilekha Trading Pvt. Ltd	1.42%	0.98%	0.76%	0.38%	0.40%	0.00%
Subhakaran & Sons	3.03%	2.42%	1.52%	0.72%	0.00%	0.00%
Superways Enterprises Pvt. Ltd	2.81%	2.13%	1.10%	0.79%	5.86%	0.00%

TOPWORTH GROUP OF COMPANIES						
Akshata Mercantile Pvt. Ltd	2.5%	2.4%	0.0%	0.0%	0.0%	0.0%
Asuti Trading Pvt. Ltd	2.1%	1.1%	0.4%	0.2%	0.8%	
Champalal Morilal Steel Co Pvt. Ltd	0.0%	1.6%	1.1%	0.0%	0.1%	0.0%
Harsh Steel Trade Pvt. Ltd	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%
Maheep Marketing Pvt. Ltd	0.0%	0.0%	4.1%	0.0%	0.4%	0.0%
Navmi Steel Traders Pvt. Ltd	0.5%	0.0%	0.0%	1.0%	0.0%	0.1%
Pheonix Impex Pvt. Ltd	1.9%	1.4%	1.2%	0.0%	0.0%	0.0%

LLOYDS GROUP OF COMPANIES						
Duli Trade Commodities Pvt. Ltd	0.4%	0.0%	1.5%	1.0%	1.7%	1.6%
Elcme c Engineering & Project Pvt. Ltd	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%

UTTAM GALVA GROUP OF COMPANIES						
Blackstone Multi Trading Ltd	0.0%	0.0%	0.2%	1.2%	2.0%	1.8%
Palak Agency Pvt. Ltd		0.6%	0.5%	0.0%	0.5%	1.2%
Uttam Value Steel Ltd		12.0%	6.8%	9.6%	12.2%	15.4%
TOTAL [A]	19.13%	28.54%	22.72%	16.68%	24.42%	20.17%

AVERAGE GROSS PROFIT ASSUMED	1.28%	1.68%	1.34%	0.98%	1.44%	1.26%
(Since Financial Data not available)						

TOPWORTH/LLOYDS/UTTAM GROUP						
Inscoc Steel Pvt. Ltd	1.28%	1.68%	1.34%	0.98%	1.44%	1.26%
Lloyds Steel Industries Ltd	1.28%	1.68%	1.34%	0.98%	1.44%	1.26%
Maruti Strip's Ferro Alloys Pvt. Ltd	1.28%	1.68%	1.34%	0.98%	1.44%	1.26%
Shree Global Trade Fin Ltd	1.28%	1.68%	1.34%	0.98%	1.44%	1.26%
Brahmcharini Vyapaar Pvt. Ltd	1.28%	1.68%	1.34%	0.98%	1.44%	1.26%
Manojvaya Vintrade Pvt. Ltd	1.28%	1.68%	1.34%	0.98%	1.44%	1.26%
Omicron Steel Traders Pvt. Ltd	1.28%	1.68%	1.34%	0.98%	1.44%	1.26%
Balalashwar Pipes & Tubes Pvt. Ltd	1.28%	1.68%	1.34%	0.98%	1.44%	1.26%
Poscho Steels Pvt. Ltd	1.28%	1.68%	1.34%	0.98%	1.44%	1.26%
TOTAL [B]	11.52%	15.12%	12.06%	8.82%	12.96%	11.34%
TOTAL GP RATIO ALREADY OFFERED BY ALL GROUPS AS PER AUDITED BOOKS OF ACCOUNTS TOTAL [A] + [B]	30.65%	43.66%	34.78%	25.50%	37.38%	31.51%

5.5. Assessee thus, asserted that the profit margin disclosed by it on alleged circular transactions comes to 2.49% for the year under consideration. Ld. Assessing Officer has given credit for this profit margin while making addition on estimation basis by reducing it from the ad hoc rate adopted by him of 7%. It is thus contended that the chart showing profit margin for the all the years with profit margin reflects the real picture hence, no further addition is warranted on this account. Despite the above factual position placed by the assessee on record, ld. CIT (A) estimated at 0.5% of the sales. The relevant portion from the order of ld. CIT(A) is reproduced herein below:

"10.9. On the third issue of Whether any other income earned by the appellant from these back-to-back transactions, the AO has made an addition of Rs. 5,69,09,099/- to the income of the appellant. The addition is based on calculated at the rate of 7% of the turnover of Rs 90,61,24,093/- which comes to Rs 6,34,28,687/-. Since the appellant had offered the income of Rs 65,19,588/- in its books, the difference amount of Rs 5,69,09,099/- was added to the income. The additional income includes commission on accommodation entries of purchases and sales. The AO has made similar additions in the assesses of Llyod group which are before me in first appeal. The income in those cases has been estimated at the rate of 5% of sales or purchases, whichever is higher. AO has observed that the appellant has taken greater risk by using its goodwill and assets for the purpose of obtaining the Letter of credit facility from the banks and hence, it must have earned commission at a higher rate from the entities of the three group concerns. Therefore, in the case of the appellant, such commission income has been estimated at 7%. The question is whether the appellant has earned additional income other than the income shown in the books and if yes, whether the rate of 7% adopted by the AO is reasonably quantifies such income. As discussed in the paras above, the regular income arising out of the circular sale and purchase transactions gets automatically accounted for in the books. However it is unlikely that the any assessee would undertake this activity on such a large scale, unless there is some more added benefit in store for it. Surmise It is evident that the appellant group and the other three groups have mutually got benefitted by extensively using/misusing the L/C facility. In my view, the AO has rightly made the addition of such other income earned by the appellant on the circular transactions. **However, I do not agree with the rate of 7% adopted by the AO. It is seen that the rate of 7% has been applied in all assessment orders passed from AY 2013-14 to AY 2017-18, resulting in the total addition of Rs. 25,18,44,894/-, which in my view is unreasonable and excessive. It is much more than the profit shown by the appellant or its group and non- group concerns. Thus, the rate of 7% adopted by the AO is on the higher side. In the appellate order for Ms Duli Trade Commodities pvt. ltd, the additional income is estimated at the rate of 0.5% of total sales turnover. The addition in the said case comprises/covers the additional income earned by the**

appellant by reinvesting the funds in the same business, the commission on accommodation entries of purchases and sales made/passed on to further the entries obtained from searched entities and any other unaccounted incomes like bill discounting income, interest received, discount income on account of suppression of GP etc."

"10.10 While the appellant has got the funds from the bank through the letter of credit facility, the three group concerns (Llyods, Topworth & Uttam) also were equally benefitted with the funds. These funds were either reinvested into their businesses or transferred within their group entities or to the outside group entities They got to use the funds upto 180 days at a stretch before returning the same to the appellant. As far as appellant is concerned, its role was to facilitate the transfer of funds from the bank through the letter of credit facility and receive the funds at the end of the credit period. Both the legs of the transactions and resultant income have been accounted for. Thus, the funds were at the disposal of the three group concerns for a longer time than the appellant. Further, **there is no specific finding of appellant diverting the funds for its own use. In view of this, I do not concur with the AO that the additional income earned by the appellant should be estimated at a higher rate than the rate adopted for group concerns. Considering the discussion above, I feel that the rate of 0.5% adopted in the case of M/s Duli Trade Commodities Pvt Ltd is reasonable and realistic and can be applied in the case of the appellant.** The reduction of rate from 7% to 0.5% would also address the claim of the appellant that not all transactions were with the entities of Topworth/ Llyod/Uttam group, thereby implying that not all transactions were circular in nature. **Considering the overall discussion as made above, the additional income is calculated at the rate of 0.5% of the total sales.** This additional income shall primarily include the commission income earned from the group concerns and also cover any other unaccounted incomes like bill discounting income, interest received, discount income on account of suppression of GP etc." [emphasis supplied by us by bold and underline]

5.6. It is pertinent to note that ld. CIT(A) has adopted the rate of 0.50% for profit estimation from the case of M/s Duli Trade Commodities Pvt Ltd. This case travelled before the Coordinate Bench of ITAT Mumbai in ITA nos. 3063 to 3069 and 2340 to 2346/Mum/2025, order dated 22.08.2025 wherein on similar estimation with similar factual position, the addition sustained by the ld. CIT(A) was deleted. Relevant paragraphs from this order are reproduced for ready reference:

"17. Now considering the above facts in detail, we proceed to decide the merits of the additions. In this regard, it was submitted that the assessee had not entered into any bogus/circular transactions as held by the AO. As per Ld. AR the assessee is engaged in the business of wholesale trading of metals and metal ores having a

turnover of more than Rs. 2,000 crores. Considering the nature of the goods traded, which are heavy and bulky in size, there is typically no physical movement of such goods at the time of sale. Instead, the goods are stored at designated warehouses, and symbolic delivery is effected by way of transfer of title documents or delivery orders, which is an accepted and recognized commercial practice in the line of business. Such operational model is standard across the industry and does not, in any manner, indicate the presence of sham transactions. Thus the transactions are genuine.

18. Alternatively, it was also submitted that even if it is to be assumed that the assessee has entered into circular transaction, there is no evidence nor any findings arising out from the search proceedings to suggest that the assessee has earned extra cash which is in excess of amounts/profits already reflected in the books of accounts. On the contrary, the statements recorded of various individuals at the time of search indicate that the assessee has earned commission as its profits for providing the service of generating alleged non-genuine invoices. In this regard out attention was drawn to the statement of Shri Narsingh Vijay Dhawale, accountant of Mr. Vinod Jatia which is at paper book page No. 56 & 57, (Q. No. 13 and 14). Further, statement of Shri Riyaz Shaikh, CFO of Lloyds Metal and Energy Limited (group company of the assessee) which is at paper book page No. 71, (Q. no. 32). Thus, in this way we have noticed that the statements itself indicate that the transactions were executed in an auto mode with a pre-determined commission structured as profits. Most importantly, there is no mention of any cash consideration or compensation being paid for availing the alleged bogus invoices in any of the search statements including confessional statements.

19. We noticed from the record that not only there are no seized documents supporting the findings of the AO, absolutely there is no deposition made by anybody indicating any cash receipts by the assessee. It is important to mention here that in a case where there would have been such statements during the course of search alleging such cash receipts, the assessee would have an opportunity to cross examine the deponent. However, as per the facts of the present case, the assessee is in a worst situation in as much as the AO and Ld. CIT(A) has merely presumed and inferred cash consideration and thus the assessee had no such opportunity.

20. We further noticed that the additions made by the AO for all the six years is of approximately Rs. 250 crores. However, it is impossible and against the prudence that such substantial amounts have been paid to the assessee without leaving behind any documentary evidence such as notings, diaries or any cash trail. The complete absence of such evidence, in spite of extreme action of search and seizure, strongly suggest that no cash income was actually received by the assessee. Thus the absence of any

evidence in itself is a positive evidence to suggest absence of cash transactions. On this proposition reliance is being placed upon the decision of the Coordinate Bench of the Mumbai of the Hon'ble Tribunal in the case of DCIT v. Supreme Holdings and Hospitality (India) wherein, with respect to the same search proceedings of Mr. Vinod Jatia and his companies, the Coordinate Bench of the Tribunal held that there is no involvement of any cash transaction nor there is any cash trail found in the search proceedings.

21. Furthermore, neither the AO nor the Ld. CIT(A) has referred to or relied upon any specific finding or tangible evidence to demonstrate that the assessee had actually received any cash. In our view, at the time of making the addition, the AO has merely proceeded on a presumptive basis by stating that the assessee might have received cash, without bringing any concrete, corroborative or even circumstantial evidence on record to substantiate such an assumption. Such reasoning of the revenue authorities is based purely on conjectures was also accepted by the Ld. CIT(A). In our considered view, such conjectural reasoning cannot form the basis for a sustainable addition under the Act. On this proposition, reliance is being placed up on the decision of the Hon'ble Supreme Court in the case of Dhakeshwari Cotton Mills Ltd. v. CIT (26 ITR 775) (PBP 144), wherein, it was held that although, the AO is not restricted by the strict and technical rules of the evidence and pleadings, he cannot proceed to make an addition purely on a guess work without any reference to material or tangible evidence.

22. After evaluating the entire records, we also found that the payer of the alleged amount has not been identified throughout the assessment proceedings. It is strange that the AO has alleged that the receipt of excess consideration to the extent of 5% of the turnover, which aggregates to approximately Rs. 250 crores for all the years under consideration but at the same time had not identified the person who had paid such a huge amount to the assessee. The revenue has also not made any addition in the hands of any counter party in respect of such huge amount allegedly paid to the assessee. Thus in our view, if the assessee had received the cash consideration outside the books of accounts, then in that eventuality, there has to be some entity who has paid such amount and such entity ought to have been identified and taxed by the Income-tax Department.

23. Even otherwise, the additions sustained by the Ld. CIT(A) is excessive. As in this regard, it was submitted that as per prevailing industry practice, the profit margin earned in case of a genuine wholesale trading is between 0.17% and 0.63%. (This fact has been accepted by the Ld. CIT(A) on Pg. 86). Therefore, in our view, even assuming that the transaction entered by the assessee are circular in nature and non-genuine, then in that eventuality the findings of the Ld. CIT(A) that the assessee must have earned 0.5% commission

is contrary to commercial logic. No prudent businessman would pay such a high commission to a mere entry provider, especially when the commission exceeds or equals the profit margins earned in legitimate trading activity. Hence, the commission earned by the assessee has to be much lower than the industry's average net profit margin.

24. Even otherwise, the profit margin disclosed by the assessee on alleged circular transactions comes to 0.27% for the year under consideration (chart showing profit margin for the all the years is enclosed in the file). Therefore, in our view, considering the thin margin in this line of business, it is held that the profits disclosed by the assessee in its audited books of account includes commission income earned, therefore, in our considered opinion, no further addition is warranted on this account. Reliance is being placed on the decision of the Rajkot Bench of the Hon'ble Tribunal in the case of Kamlesh Deoraj Jain v. ITO (PBP 154), Chandigarh Bench of the Hon'ble Tribunal in the case of Seo Lehenga House v. DCIT (PBP 173) and Nagpur Bench of the Hon'ble Tribunal in the case of ACIT v. Solaries Holdings Put Ltd. (PBP 197), wherein it has been held that in case of a circular transaction, the profit declared in the books of accounts covers the commission portion and that no further addition is warranted especially in absence of any evidence of cash payments.

25. Therefore, considering the totality of the facts and circumstances of the present case and also considering the decisions of the Coordinate Benches of the Tribunal as discussed by us above, we allow the grounds of appeal raised by the assessee and direct the AO to delete the additions.

26. Since, we have deleted the additions by considering the merits, therefore there is no need to adjudicate the other grounds raised by the assessee as the same become academic in view of our above detailed findings.”

6. The very basis adopted by ld. CIT(A) of resorting to the estimation of additional income by applying the rate of 0.50% has been meritoriously dislodged by the decision of the Coordinate Bench in the aforesaid case of M/s. Duli Trade Commodities Pvt Ltd. We further note that all the aspects of additions made in the present case have been elaborately dealt by the Coordinate Bench in the case of Duli Trade Commodities Pvt Ltd. (supra), including inter alia, the following:

a. Transactions were executed in an auto mode with a pre-determined commission structured as profits. Most importantly, there is no mention of any cash consideration or compensation being paid for availing the alleged bogus invoices in any of the search statements including confessional statements.

b. Not only there are no seized documents supporting the findings of the AO, absolutely there is no deposition made by anybody

indicating any cash receipts by the assessee. There is a mere presumption and inference drawn about the cash consideration, far from factual position. Such a conjectural reasoning cannot form the basis for a sustainable addition under the Act.

c. Complete absence of any evidence in spite of extreme action of search and seizure, strongly suggest that no cash income was actually received by the assessee.

d. After evaluating the entire records, it was also found that the payer of the alleged amount has not been identified throughout the assessment proceedings. Revenue has also not made any addition in the hands of any counter party in respect of such huge amount allegedly paid to the assessee.

e. The additions sustained by the Ld. CIT(A) is excessive. As per prevailing industry practice, the profit margin earned in case of a genuine wholesale trading is between 0.17% and 0.63%, fact of which has been accepted by the Ld. CIT(A).

f. No prudent businessman would pay such a high commission to a mere entry provider, especially when the commission exceeds or equals the profit margins earned in legitimate trading activity.

6.1. Considering the factual matrix and the judicial precedents in the entities forming part of the same search exercise conducted by the Department, ground no. 6 raised by the assessee in its appeal for Assessment Year 2013-14 is allowed whereby addition sustained by the ld. CIT(A) adopting 0.50% for estimation of additional income is deleted. Also, since the appeal of the assessee is allowed on the merits of the case, jurisdictional issues raised are left open. Since we have deleted the additions upheld by Ld. CIT(A) in assessee's appeal, consequently, the grounds raised by the revenue in its appeal stands dismissed."

19. A careful reading of the observations of the Coordinate Bench, firstly, demonstrates that the factual position relating to the issue in dispute involved in case of assessee and Subhkaran & Sons (Supra) stand at par. Secondly, the decision of learned First Appellate Authority in case of M/s. Duly Trade & Commodities Pvt. Ltd., based on which learned First Appellate Authority reduced the estimation of additional income to 0.5%, was considered by the Coordinate Bench in case of that assessee and 0.5% income estimation made by learned First Appellate Authority was deleted on merits. The other decisions cited by learned counsel for the assessee are in similar lines, hence we do not propose to deal with them in detail. Thus, in ultimate

analysis of the factual position, we are fully convinced that issue in dispute is squarely covered by the decision of the Coordinate Benches in case of Subhakaran & Sons and others (Supra). Thus, respectfully following the consistent view of the coordinate Benches in identical nature of dispute, we hold that estimation of additional income even at 0.5% of sales turnover is unsustainable. Hence, we direct the AO to delete the addition.

20. The next issue arising for consideration is deletion of disallowance of indirect expenses and depreciation. Since the AO treated the trading activities of the assessee as bogus, he disallowed assessee's claim of depreciation and indirect expenses including financial expenses to the tune of Rs.11,12,20,647/-. Assessee contested the disallowances before learned First Appellate Authority. While considering the issue, learned First Appellate Authority deleted the disallowances with the following observation:-

“10.2. I have gone through the assessment order and the submissions of the appellant. The AO has disallowed the depreciation, direct and indirect expenses claimed by the appellant. The stated reason for disallowance is that the appellant had not actually carried out any business and therefore the expenses claimed cannot be allowed as deduction. In this context, I refer to the discussion & decision on ground nos 2-4 in the above paras. During the year under consideration, appellant has also carried out business with the parties, which do not belong to the three groups in question. Besides, with respect to the transaction with the three group entities, it is seen that the appellant has disclosed the regular income generated from the circular transaction in its books of account. The expenditure in question is made in relation to the income disclosed by the appellant. It is not the case of the AO that such expenses were not actually incurred. Once the income has been disclosed by the assessee, the expenditure, both direct and indirect, incurred for earning the income is allowable as deduction. The indirect

expenses mainly comprised of Employee Benefit Expenses of Rs. 1,09,51,551/-, Financial Expenses of Rs. 11,12,20,647/- and selling and administrative Expenses of Rs. 28,99,812/-. Depreciation is not a direct expenditure and is anyways allowable, once the asset is put to use, for the business. The finance cost of Rs 11,12,20,647/- mainly comprises charges related to Letter of credit facility and Bill discounting borne by the appellant. The letter of credit charges paid to the banks are recovered by the appellant through the sale bills raised by it. Bill discounting charges are recovered from the appellant by its suppliers by the way of raising debit notes. As per section 37, any expenditure incurred by the assessee for purpose, which is an offence or prohibited by law shall not be deemed to have been incurred for the purpose of business and no deduction can be allowed in respect of such expenditure. In the present case, LC and other similar charges are paid to the Banks. The banks have issued the letter of credit and disbursed the amount, assumingly, after due diligence. It is for the banks to judge whether their funds were misused or otherwise and whether the provisions of RBI Act were violated by the appellant. The payment is made to the banks and is not penal in nature. Therefore, it cannot be concluded to be in violation of law. Considering the overall facts of the case, I hold that the income from circular trading is disclosed by the assessee and therefore the related expenditure can be allowed as deduction. The depreciation of Rs 75,068/- and Indirect expenditure of Rs 12,50,72,010/- cannot be upheld. The AO is directed to delete the same.”

21. We have considered rival submissions and perused the materials on record. The entire basis for disallowance of depreciation and indirect expenses by the AO is because, he treated the purchase and sale transactions of the assessee as bogus. However, in the forgoing paragraphs, we have held that there is no reason to suspect the genuineness of the purchase and sales transactions of the assessee and deleted the addition made by the AO by treating the transactions as bogus. Moreover, AO has not raised any doubt regarding the actual incurring of the expenses. In fact, the finance cost of Rs. 11,12,20,647/- was actually incurred by the assessee in relation to LC facilities and bill discounting through bank. Therefore, such expenditure incurred cannot be disallowed by treating it as bogus. Even, similar is the case with

other expenses claimed by the assessee. In view of the aforesaid, we do not find any infirmity in the decision of learned First Appellate Authority.

22. In Ground Nos. 10 and 11, the Department has challenged deletion of addition of Rs.26,31,33,410/- as unexplained cash credit u/s. 68 of the Act.

23. Briefly the facts are in course of assessment proceeding, the AO noticed that as per the books of account of the assessee, it had availed unsecured loans amounting to Rs.26,31,83,410/- from following four parties:-

1. Champalal Motilal Steel Company Pvt. Ltd.
2. Llyod steel Ltd.
3. Pheonix Impex Pvt. Ltd.
4. Asuti Trading Pvt. Ltd.

24. Relying upon the statements recorded in course of search and post search operation in case of third parties, the AO observed that the lender companies are providing bogus loans. In this context, he referred to statement of Debasish Pal stated to be one of Directors of M/s. Asuti Trading Pvt. Ltd., wherein, he stated that the companies is not doing any genuine business but providing accommodation entries. In respect of other lender companies also, the AO concluded that the loan transactions are not genuine. Accordingly, treating the unsecured loans as unexplained cash credit u/s. 68 of the Act, the AO added back to income of the assessee. Assessee contested the aforesaid addition before learned First Appellate

Authority. On verification of facts and materials on record, learned First Appellate Authority found that the loan amount added by the assessee represents the amount received by the assessee from the lender companies which has been accounted for as intra corporate deposits. He also found that as per the ledger copy, the assessee had advanced an amount of Rs.6,08,87,343/- to the lender companies. He also found that major part of the unsecured loans were either repaid during the year or in subsequent year. He also noted that the entire loan transactions was through banking channel and at the time of advancement of loan, the lender companies had sufficient balance at their hands. Thus, upon consideration of these facts, learned First Appellate Authority deleted the addition.

25. We have considered rival submissions and perused the materials on record. We have also applied our mind to the decisions of the coordinate Benches in respect of group companies involving identical issue. Learned First Appellate Authority while deleting the addition as noted the following facts:-

1. The identity of the creditor is known.
2. Most of the loans stand repaid in the same year or in subsequent year.
3. The amount received by the assessee includes the repayment of advances made in the earlier years.
4. The transactions are made through banking channel and there is no finding of cash being introduced in the bank account before the loan transactions.

26. The Department has miserably failed to dislodge the aforesaid findings of learned First Appellate Authority. The AO has failed to examine the factual position

correctly as he has not taken into account the advances given by the assessee to the lender parties as also the fact that major part of the unsecured loans has been repaid during the year or subsequent years. Thus, when the identity of the creditors has been established and their creditworthiness is also proved from the bank statement indicating availability of sufficient fund before loan was given, as also, there being no doubt regarding genuineness of transaction having been carried out through banking channel, we do not find any infirmity in the decision of learned First Appellate Authority in deleting the addition. In view of aforesaid, we uphold the decision of learned First Appellate Authority by dismissing the ground.

27. In view of our decision on merits qua the grounds raised in Revenue's appeal and Ground No.6 of assessee's appeal, rest of the grounds, being Ground Nos. 1 to 5 arising in assessee's appeal having become academic do not require adjudication as far as the present appeal is concerned. Hence, they are kept open.

28. The decision in ITA No. 3140/Mum/ 2025 and ITA No. 3972/Mum/2025, supra will apply mutatis mutandis to all other appeals noted above.

29. In the result, Revenue's appeals are dismissed and assessee's appeals are partly allowed.

Order pronounced in the open court on 27 /02/2026.

Sd/-
(Jagadish)
Accountant Member

Sd/-
(Saktijit Dey)
Vice President

Mumbai; Dated : 27/02/2026

Aks/-

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. The CIT(A)
4. CIT - concerned
5. DR, ITAT, Mumbai
6. Guard File

BY ORDER,

(Dy./Asstt. Registrar)
ITAT, Mumbai