INCOME TAX APPELLATE TRIBUNAL,
MUMBAI BENCHES, MUMBAI

BENCH: SMC

BEFORE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER

ITA 1216/MUM/2026 निर्धारण वर्ष/Assessment Year: **2014-15**)		
AMITA RAMBILAS AGARWAL C-304, CHAITANYA TOWER, A. M. MARG, PRABHADEVI,, MUMBAI-400025, MAHARASHTRA	**Vs.**	**INCOME TAX OFFICER** PIRAMAL CHAMBERS, LALBAUG, MUMBAI MUMBAI-400012, MAHARASHTRA
अपीलार्थी **Appellant**		प्रत्यर्थी **Respondent**

Permanent Account Number of Assessee**:**	**ACUPA0195L**
अपीलार्थी द्वारा/Appellant represented by:	**Shri Pritesh Joshi**
प्रत्यर्थी द्वारा/Respondent represented by:	**Shri Pradeep Singh Saktawat - SR. DR.**

सुनवाई की तारीख / Date of conclusion of hearing:	**08-Jun-2026**
घोषणा की तारीख / Date of pronouncement:	**21-Jul-2026**

आदेश / ORDER

PER SHRI SANDEEP GOSAIN, JUDICIAL MEMBER:

This appeal is filed by the Assessee against the order of Ld. Commissioner of Income Tax Faceless Appeal Centre vide DIN: ITBA/NFAC/S/250/2025-26/1083857605(1) dated 18-Dec-2025 for the Assessment Year 2014-15. The Assessee has raised the following grounds of appeal:

1. On the facts and in the circumstances of the case and in law the Ld. CIT(A) erred in confirming the addition made by the Ld AO of Rs. 85,35,780/- being the Long Term Capital Gain on sale of shares of M/s Sunrise Asian Limited (earlier Santoshima Trade Links

Limited) to the returned income as unexplained credit u/s 68 of the Income Tax Act, 1961 by not allowing the claim of genuine LTCG claimed as exempt u/s 10(38) of the Income Tax Act, 1961, in respect of shares sold and purchased as per prevailing law and the reasons assigned for doing so are wrong and contrary to the provisions of the Income Tax Act and the rules made thereunder.

2. On the facts and in the circumstances of the case and in law the Ld. CIT(A) erred in confirming the addition of Rs. 2,56,073/- being the amount allegedly representing commission paid for obtaining the bogus LTCG entry, when no evidence whatsoever of such commission payment, arrangement or quid pro quo exists on record, and the reason assigned for doing so is wrong and contrary to the provisions of the Income Tax Act and the rules made thereunder.

3. On the facts and in the circumstances of the case and in law the Ld. CIT(A) erred in confirming the initiation of penalty u/s 271(1)(c) of the Income Tax Act, 1961 by the Ld. AO when the income in question was transparently claimed and disclosed in the original return filed on 31.07.2014, thereby negating any element of concealment or furnishing of inaccurate particulars, and the reason assigned for doing so is wrong and contrary to the provisions of the Income Tax Act and the rules made thereunder.

4. Your appellant craves your leave to amend, alter, add or modify any or all grounds of appeal on or before the final disposal of the appeal.

2. Ground No. 1 raised by the assessee relates to challenging the order of the Ld. CIT(A) in confirming the addition made by the AO by disallowing the LTCG exemption claimed by the assessee under Section 10(38) of the Act.

3. I have heard the counsel for both the parties, perused the material placed on record, the judgments cited before me, and also the orders passed by the Revenue Authorities. From the records, I noticed that, during the year under consideration, the assessee had reported LTCG of Rs. 85,35,780 on the sale of 8,000 equity shares of Sunrise Asian Ltd. (formerly known as

Santoshi Maa Tradelinks Ltd.) and claimed exemption under Section 10(38) of the Act, which was rejected by the AO and upheld by the Ld. CIT(A).

4. On going through the case records, I found that the assessee had placed on record a number of documents to demonstrate that the shares were purchased through banking channels, and in this regard, detailed written submissions were also filed. However, ***the fact remains that the AO had not found any defect in the documents relied upon by the assessee***. Moreover, the Coordinate Bench of the ITAT, in a number of decisions ***where the same scrip was involved, has deleted similar additions***, and the same are reproduced herein below:

- ***Anraj Hiralal Shah (HUF) v. ITO – ITA No. 4514/Mum/2018, order dated 16/07/2019.***
- ***Dipesh Ramesh Vardhan v. DCIT – ITA No. 7648/Mum/2019, order dated 11/08/2020.***
- ***Rambilas S. Agarwal v. DCIT – ITA No. 3238/Mum/2023, order dated 08/04/2025.***
- ***PCIT-1 v. Divyaben Prafulchandra Parmar – R/Tax Appeal No. 812 of 2023, decided on 02/01/2024.***

5. The operative portion of the one of the decision of Coordinate Bench of ITAT in the case of, ***Anraj Hiralal Shah (HUF) V. ITO (ITA NO. 4514/Mum/2018),*** is reproduced herein below:

> *7. I have heard rival contentions and perused the record. I notice that the AO has received information about suspicious share transactions and on the basis of the same; he has disbelieved the claim of long term capital gains. 1 notice that the assessee has purchased shares through a broker named M/s Eden Financial Services and sold shares through Intime Equities Ltd. Thus, I notice that the purchase and sale of shares have been carried*

out through two different brokers. It is not the case of the AO that both the share brokers referred above have been identified as tainted brokers involved in fraudulent transactions.
8. The assessee has earned speculation profit in the immediately preceding year through M/s Eden Financial Services also and the said profit has been used to purchase the shares of M/s Sunrise Asian Ltd. The assessee has offered the speculation profit for income tax purposes in the immediately preceding year and it has been accepted. Further the assessee has shown the purchase of impugned shares as investment in the Balance Sheet. Hence the purchase of shares has been accepted. Further the shares have been received in the D-mat account of the assessee and they have been sold through the D-mat account only. Hence the delivery of shares also stand proved. The AO has not brought any material on record to show that the assessee was part of fraudulent price rigging. Accordingly, in the absence of any evidence to implicate the assessee or to prove that the transactions are bogus, I am of the view that the capital gains declared by the assessee cannot be doubted with. In that view of the matter, the addition made towards expenses is not also sustainable.
9. Accordingly, I set aside the order passed by Ld CIT(A) on both the issues and direct the AO to delete both the additions.
10. In the result, the appeal of the assessee is allowed.

6. As submitted by the assessee, the facts of the present case are identical, as the assessee had also purchased ***the shares through proper banking channels, held them in a demat account, sold them through a recognized stock exchange, and there is no direct evidence linking the assessee*** with any manipulation or accommodation entry provider.

7. Therefore, considering the totality of the facts and circumstances of the case, and respectfully following the decisions of the Coordinate Bench of the ITAT, while adhering to the doctrine of ***binding precedents*** and maintaining ***judicial consistency***, I allow **Ground No. 1** raised by the assessee.

8. In view of the findings rendered above, the other grounds raised by the assessee have become infructuous and, accordingly, do not require separate adjudication.

9. In the result appeal filed by the assessee stands partly allowed.

Order pronounced in the open court on 21.07.2026

Sd/-
SANDEEP GOSAIN
JUDICIAL MEMBER

Mumbai
Dated: 21.07.2026

RY-Sr PS

Copy to:

1	**AMITA RAMBILAS AGARWAL,** **C-304, CHAITANYA TOWER, A. M. MARG,** **PRABHADEVI,,** **MUMBAI-400025,** **MAHARASHTRA**
2	**INCOME TAX OFFICER,** **PIRAMAL CHAMBERS, LALBAUG,** **MUMBAI,** **MUMBAI-400012, MAHARASHTRA**
3	THE PCIT / CIT,
4	THE D.R., ITAT, MUMBAI BENCH
5	GUARD FILE

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SR. PRIVATE SECRETARY
I.T.A.T., MUMBAI