

IN THE INCOME TAX APPELLATE TRIBUNAL “F” BENCH, MUMBAI

**BEFORE MS. KAVITHA RAJAGOPAL, JM
AND
SHRI. PRABHASH SHANKAR, AM**

ITA No.2656/Mum/2024
(Assessment Year: 2015-16)

Mr. Jay Hansraj Chheda Room No. 61, 4 th Floor, Vasant Villa, Behnama Hall Lane, Prarthna Samaj, Mumbai – 400006.	Vs.	Income Tax Officer Ward 19(2)(1) Matru Mandir, Room No. 221, Tardeo Road, Mumbai – 400007.
PAN/GIR No. AJLPC9910H		
(Assessee)	:	(Respondent)

ITA No.2631/Mum/2024
(Assessment Year: 2015-16)

Income Tax Officer Room No. 502, Piramal Chamber, Lalbaug, Parel, Mumbai – 400012.	Vs.	Jay Hansraj Chheda Room No. 61, 4 th Floor, Vasant Villa, Behnama Hall Lane, Prarthna Samaj, Mumbai – 400006.
PAN/GIR No. AJLPC9910H		
(Assessee)	:	(Respondent)

Assessee by	:	Shri. Manoj Pandit
Respondent by	:	Shri. Ajay Singh (SR DR)

Date of Hearing	:	14.11.2025
Date of Pronouncement	:	30.01.2026

ORDER

Per Kavitha Rajagopal, J M:

These are cross appeals filed by the assessee and the revenue challenging the order of the learned Commissioner of Income Tax (Appeals) Delhi ('ld. CIT(A)' for short), National Faceless Appeal Centre ('NFAC' for short) passed u/s. 250 of the



Income Tax Act, 1961 ('the Act'), pertaining to the Assessment Year ('A.Y.' for short) 2015-16.

2. The assessee has challenged the order of the Id. CIT(A) in confirming the addition made by the learned Assessing Officer ('Id. A.O.' for short) u/s. 68 of the Act towards the long-term capital gain out of the sale of shares of M/s. Pine Animation Ltd. alleged to be a penny stock by the Id. AO. The revenue has challenged the deletion of the addition on account of commission amounting to Rs.7,96,365/-, u/s. 69C of the Act towards the 2% on the total consideration of the sale of shares amounting to Rs.3,98,18,275/-.
3. Brief facts of the case are that the assessee is an individual and had filed his return of income dated 06.10.2015, declaring total income at Rs.3,92,540/- as income from salary and business income. The assessee's case was selected for scrutiny and notices u/s. 143(2) and 142(1) of the Act were duly issued and served upon the assessee. The Ld. AO observed that the assessee has earned long-term capital gain amounting to Rs.3,93,92,775/- on sale of shares during the year under consideration which was claimed exempt u/s. 10(38) of the Act. The Id. AO passed the assessment order u/s. 143(3) of the Act determining total income at Rs.4,10,07,180/- after making an addition of Rs. 3,98,18,275/- u/s. 68 of the Act, being the sale proceeds on account of long-term capital gain (in short "LTCG") on sale of the scrip of M/s. Pine Animation Ltd. and Rs.7,96,365/- u/s. 69 of the Act, towards the commission @2% on the said transaction alleged to have been paid to the entry operators.
4. Aggrieved the assessee was in appeal before the first appellate authority, who vide order dated 11.03.2024 partly allowed the assessee's appeal by upholding the addition made



ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)

Mr. Jay Hansraj Chheda

u/s. 68 of the Act, towards the long-term capital gain and deleting the commission expense of Rs. 7,96,365/- u/s. 69C of the Act.

5. Aggrieved by the order of the Id. CIT(A) both the assessee as well as revenue are in cross appeals before us, challenging the impugned order of the Id. CIT(A).
6. The learned Authorised Representative ('Id. AR' for short) for the assessee contended that the transaction of sale of shares entered into by the assessee was genuine were the assessee has bought the shares of M/s. Pine Animation Ltd. on 15.03.2013, for a consideration of Rs.15,00,000/- by way of preferential allotment of 1,50,000 equity shares @ Rs.10/- each. The Id. AR further stated that the said shares were listed on the Bombay Stock Exchange after duly obtaining the approval of SEBI and then were split on 20.05.2013 in the ratio of 1:10, where the assessee got 15,00,000 shares of face value of Rs.1 each. The Id. AR further stated that from 07.04.2014 to 10.07.2014, the assessee sold the said shares for a total consideration of Rs.3,98,18,275/- and earned long-term capital gain of Rs.3,93,92,775/- which was claimed as exempt u/s. 10(38) of the Act. The Id. AR contended that all these transactions were made through stock exchange and had filed the details of the said transaction including the contract note, the details of payment made along with various other details. The Id. AR further contended that the assessee has discharged the primary onus of furnishing all the relevant details before the lower authorities which were not considered. The Id. AR also relied on the SEBI order dated 19.09.20217 enclosed in the paper book, where it has categorically stated that the assessee was not involved in the price rigging of the said shares, which clearly indicates that the assessee's transaction to that extent is genuine. The Id. AR also argued



ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)
Mr. Jay Hansraj Chheda

that the assessee was not given opportunity of cross examination by the Id. AO and the Id. CIT(A) who had relied on the statement of various parties alleged to be accommodation entry providers. The Id. AR stated that there was gross violation of principles of natural justice and relied on the decision of the Hon'ble Delhi High Court in the case of *PCIT-5 vs. Laxman Industrial Resources Limited, in ITA No. 169/2017, C.M. Appl. 7385/2017, order dated 14.03.2017* along with various other decisions. The Id. AR prayed that the addition be deleted and as an alternative relief, the assessee should be given an opportunity of cross examination along with details of the materials relied upon by the Id. AO to be furnished to the assessee.

7. The Departmental Representative ('Id. DR' for short) on the other hand controverted the said facts and stated that the assessee has failed to substantiate the transaction entered into by the assessee pertaining to the scrip of M/s. Pine Animation Ltd. The Id. DR further contended that the assessee has also failed to substantiate as to the financials of the said company and the reason for the exorbitant hike in the share price in the absence of any extraordinary events such as mergers, acquisitions, etc. during the year under consideration. The Id. DR also stated that SEBI has clearly identified the said scrip to be a penny stock and the Id. AO has also given details of the exit providers of these accommodation entry operators pertaining to the said scrip. The Id. DR relied on the order of the Hon'ble Calcutta High Court in the case of *Pr. CIT vs. Swati Bajaj (2022) 139 taxmann.com 352* along with various other decisions and prayed that the addition be upheld and the deletion of addition towards commission income by the Id. CIT(A) be set aside.



ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)

Mr. Jay Hansraj Chheda

8. We have heard the rival submissions and perused the materials available on record. It is observed that the assessee has purchased 15,000 shares of M/s. Pine Animation Ltd. on 15.03.2013 for a consideration of Rs. 15,00,000/- and the shares were then split into face value of Rs.1 from face value of Rs.10 within few months of the purchase and the assessee was holding 1,50,000 shares of face value of Rs.1 each. The assessee had claimed long-term capital gain of Rs.3,93,92,775/- in his return of income u/s. 10(38) of the Act, where the assessee is said to have sold 4,52,500 equity shares of M/s. Pine Animation Ltd. during the year under consideration. Pursuant to search and seizure operation u/s. 132 of the Act conducted in the case of Anuj Agarwal and Group entities who is the director of M/s. Korp Securities Limited based in Kolkata alleged to have controlled various paper jamakharchee companies, the Id. AO based on the investigation report of the directorate of investigation, Kolkata and the SEBI order of M/s. Pine Animation Ltd., where various accommodation entry providers, share brokers and many launderers were involved in providing bogus accommodation by way of long-term capital gain and short-term capital loss was unearthed, made the impugned addition/disallowance in the hands of the assessee as being one of the beneficiaries of the sale of shares of M/s. Pine Animation Ltd. The assessee was assessed by the Id. AO, where it was observed that the assessee had earned huge amount of long-term capital gain within a short span of time which was almost around Rs.3,78,00,000/- which according to the Id. AO was an evident case of penny stock. The Id. AO is also said to have recorded statements of various parties including the alleged accommodation entry operators, share brokers and many launderers who had



ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)

Mr. Jay Hansraj Chheda

subsequently retracted their statement as per the contention of the Id. DR. The Id. AO observed that the financials of M/s. Pine Animation Ltd. did not substantiate the share price, where it was found that the company was not engaged into any business activity. Further, the Id. AO observed that the funds were raised through preferential allotment which was not utilized for the business expansion of the company and the same has been advanced as loans and investments. The Id. AO held that the entire transaction was pre-arranged for the purpose of claiming bogus long-term capital gain to various beneficiaries by way of sale of shares after duly rigging the price of the shares in stock exchange. The Id. AO has also corroborated his finding by duly recording the statements of share brokers and the exit providers who have consented that the share of M/s. Pine Animation Ltd. was a mere penny stock for providing bogus long-term capital gain/ short-term capital gain/loss.

9. The lower authorities held that the transactions to be a pre-arranged method to evade tax with the connivance of the accommodation entry providers. The assessee has bought these shares on 15/03/2015 for Rs.15,00,000/- through preferential allotment/private placement and had sold the same from 07/04/2024 to 10/07/2014 for Rs.3,98,18,275/- after the lock-in period of one year as per Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009. The *modus operandi* is that the beneficiaries are allotted shares of Private Limited companies which amalgamates subsequently with listed penny stocks where they receive shares of listed penny stock in exchange of the private limited companies' shares through the Stock Exchange, which are then split and bonus shares are issued for increasing the volume of shares.



*ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)
Mr. Jay Hansraj Chheda*

Subsequently, when the prices of listed shares are rigged through entry providers, the beneficiaries avail bogus long-term capital gains/short-term capital gains by selling the shares at inflated prices in which case the buyers of these shares are generally the 'Exit Providers' which are bogus entities through which the unaccounted money of beneficiaries are routed.

10. In the present case in hand, it is observed that SEBI vide order dated 08.05.2015 has suspended the scrip of M/s. Pine Animation Pvt. Ltd. by identifying the entry operators who were involved in the rigging of the price of this penny scrip. On a careful consideration of the price hike, it is noticed that this was an abnormal rise and fall in the price of the shares without any justification and the financials of the company also did not support the same.
11. The Ld. CIT(A) upheld the addition made u/s 68 of the Act towards the LTCG holding the same to be non-genuine and deleted the addition of commission expenses u/s 69C holding the same to be without any material evidences.
12. In the above factual matrix of the case, it is observed that the additions made towards the LTCG on the alleged penny scrip is based on the Investigation Report of the Directorate of Investigation, Kolkata and SEBI action on M/s. Pine Animation Ltd. Pertinently, SEBI in its order dated 19.09.2017 had held that there is no adverse finding in respect of 114 entities with regard to their role in manipulation of the scrip "PAL" and the assessee is one of the 114 entities mentioned in the SEBI Order, though is in the sub-group "Preferential allottees". The assessee taking advantage of the same contended that he was in no way involved in the rigging of the price of the alleged



penny scrip. Further, it is also argued that SEBI has not cleared the entire list and remaining 62 entities shall be proceeded for violation under SEBI Act, SCRA, PFUTP Regulations etc. and directions were issued against the remaining entities under Order dated 05.07.2016, 22.08.2016 and 02.06.2017. The Ld. AR for the assessee also extensively relied on the finding of the co-ordinate Bench, in the case of ***Income Tax Officer vs. Manisha Narpatkumar Chopra in ITA No.2443/Mum/2023 order dated 20.08.2024*** where on identical facts which was related to the same penny scrip, the Tribunal has decided this issue in favour of the assessee. The relevant extract of the said decision is cited herein under for ease of reference:

“11. We heard rival contentions and perused the record. We notice that the AO has primarily placed reliance on the report given by the Investigation Wing of the Income-tax Department, Kolkatta in order to arrive at the conclusion that the Long Term Capital Gain reported by the assessee is bogus in nature. We notice that the investigation report prepared by Investigation Wing, Kolkatta is a generalized report with regard to the modus operandi adopted in manipulation of prices of certain shares and generation of bogus capital gains. We notice that the AO has placed reliance on the said report, without bringing any material on record to show that the transactions entered by the assessee were found to be a part of manipulated transactions, i.e., it was not proved that the assessee has carried out the transactions of purchase and sale of shares in connivance with the people, who were involved in the alleged rigging of prices. We notice that the promoters and their associations of M/s. Pine Animation Ltd., were initially debarred from accessing stock market, but the same has been revoked by the SEBI, vide its order dated 19th September, 2017. The following observations made by the SEBI in the above said order are worth noting:-

“10. Considering the fact that there are no adverse findings against the aforementioned 114 entities with respect to their role in the manipulation of the scrip of PAL, I am of the considered view that the directions issued against them vide interim order dated May 08, 2015 which were confirmed vide Orders dated June 02, 2016, July 05, 2016, August 22, 2016 and June 02, 2017 need not be continued.”

11.1. We noticed earlier that the assessee has sold the shares during the period from June 05, 2014 to September 15, 2014. Thus, the transactions of purchase and sale of shares by the assessee have happened prior to the passing of initial order by SEBI, which has been later revoked. Hence, we are of the view that the transactions of purchase and sale of



ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)

Mr. Jay Hansraj Chheda

shares of M/s. Pine Animation Ltd., by the assessee would not be affected by the above said orders of the SEBI.

12. In the statement recorded from the assessee, she has stated that she was guided by her husband in making the investment, who is a Chartered Accountant by profession. The AO has also recorded statement from her husband, but did not find any adverse feature in the statements given by both the parties. We also notice that -

(a) the assessee has purchased these shares by paying consideration through banking channels.

(b) the shares of M/s. Pine Animation Ltd., have been purchased from an existing share holder in the off market. The copy of physical share certificate is given, wherein the name of the assessee has been to have been endorsed.

(c) the shares have been later dematerialised and kept in the Demat account.

(d) the assessee has sold the shares through stock exchange platform

(e) the assessee has received the sale consideration through banking channels.

Further, the shares have entered and exited the demat account of the assessee. We notice that the AO himself has not found any defect/deficiencies in the evidences furnished by the assessee with regard to purchase and sale of shares. Further, the AO has not brought on record any material to show that the assessee was part of the group, which involved in the manipulation of prices of shares. Hence, there is no reason to suspect the purchase and sale of shares undertaken by the assessee.

13. Both the parties relied on various case laws before us. We may refer to the some of the decisions rendered by Hon`ble jurisdictional Bombay High Court. In the case of Shyam Pawar (54 taxmann.com 108) (Bom), the Hon`ble Bombay High Court has observed as under:-

“3. Mr.Sureshkumar seriously complained that such finding rendered concurrently should not have been interfered with by the Tribunal. In further Appeal, the Tribunal proceeded not by analyzing this material and concluding that findings of fact concurrently rendered by the Assessing Officer and the Commissioner are perverse. The Tribunal proceeded on the footing that onus was on the Department to nail the Assessee through a proper evidence and that there was some cash transaction through these suspected brokers, on whom there was an investigation conducted by the Department. Once the onus on the Department was discharged, according to Mr.Sureshkumr, by the Revenue-Department, then, such a finding by the Tribunal raises a substantial question of law. The Appeal, therefore, be admitted.



ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)

Mr. Jay Hansraj Chheda

4. Mr. Gopal, learned Counsel appearing on behalf of the Assessee in each of these Appeals, invites our attention to the finding of the Tribunal. He submits that if this was nothing but an accommodation of cash or conversion of unaccounted money into accounted one, then, the evidence should have been complete. Change of circumstances ought to have, after the result of the investigation, connected the Assessee in some way or either with these brokers and the persons floating the two companies. It is only, after the Assessee who is supposed to dealing in shares and producing all the details including the DMAT account, the Exchange at Calcutta confirming the transaction, that the Appeal of the Assessee has been rightly allowed. The Tribunal has not merely interfered with the concurrent orders because another view was possible. It interfered because it was required to interfere with them as the Commissioner and the Assessing Officer failed to note some relevant and germane material. In these circumstances, he submits that the Appeals do not raise any substantial question of law and deserve to be dismissed.

5. We have perused the concurrent findings and on which heavy reliance is placed by Mr. Sureshkumar. While it is true that the Commissioner extensively referred to the correspondence and the contents of the report of the Investigation carried out in paras 20, 20.1, 20.2 and 21 of his order, what was important and vital for the purpose of the present case was whether the transactions in shares were genuine or sham and bogus. If the purchase and sale of shares are reflected in the Assessee's DMAT account, yet they are termed as arranged transactions and projected to be real, then, such conclusion which has been reached by the Commissioner and the Assessing Officer required a deeper scrutiny. It was also revealed during the course of inquiry by the Assessing Officer that the Calcutta Stock Exchange records showed that the shares were purchased for code numbers S003 and R121 of Sagar Trade Pvt Ltd. and Rockey Marketing Pvt. Ltd. respectively. Out of these two, only Rockey Marketing Pvt. Ltd. is listed in the appraisal report and it is stated to be involved in the modus operandi. It is on this material that he holds that the transactions in sale and purchase of shares are doubtful and not genuine. In relation to Assessee's role in all this, all that the Commissioner observed is that the Assessee transacted through brokers at Calcutta, which itself raises doubt about the genuineness of the transactions and the financial result and performance of the Company was not such as would justify the increase in the share prices. Therefore, he reached the conclusion that certain operators and brokers devised the scheme to convert the unaccounted money of the Assessee to the accounted income and the present Assessee utilized the scheme.

6. It is in that regard that we find that Mr. Gopal's contentions are well founded. The Tribunal concluded that there was something more which was required, which would connect the present Assessee to the transactions and which are attributed to the Promoters/Directors of the two companies. The Tribunal referred to the entire material and found that the investigation stopped at a particular point and was not carried forward by the Revenue. There are 1,30,000 shares of Bolton Properties Ltd. purchased by the Assessee during the month of January 2003 and



ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)

Mr. Jay Hansraj Chheda

he continued to hold them till 31 March 2003. The present case related to 20,000 shares of Mantra Online Ltd for the total consideration of Rs.25,93,150/-. These shares were sold and how they were sold, on what dates and for what consideration and the sums received by cheques have been referred extensively by the Tribunal in para 10. A copy of the DMAT account, placed at pages 36 & 37 of the Appeal Paper Book before the Tribunal showed the credit of share transaction. The contract notes in Form-A with two brokers were available and which gave details of the transactions. The contract note is a system generated and prescribed by the Stock Exchange. From this material, in para 11 the Tribunal concluded that this was not mere accommodation of cash and enabling it to be converted into accounted or regular payment. The discrepancy pointed out by the Calcutta Stock Exchange regarding client Code has been referred to. But the Tribunal concluded that itself, is not enough to prove that the transactions in the impugned shares were bogus/sham. The details received from Stock Exchange have been relied upon and for the purposes of faulting the Revenue in failing to discharge the basic onus. If the Tribunal proceeds on this line and concluded that inquiry was not carried forward and with a view to discharge the initial or basic onus, then such conclusion of the Tribunal cannot be termed as perverse. The conclusions as recorded in para 12 of the Tribunal's order are not vitiated by any error of law apparent on the face of the record either.

7. As a result of the above discussion, we do not find any substance in the contention of Mr.Sureshkumar that the Tribunal misdirected itself and in law. We hold that the Appeals do not raise any substantial question of law. They are accordingly dismissed. There would no order as to costs.

8. Even the additional question cannot be said to be substantial question of law, because it arises in the context of same transactions, dealings, same investigation and same charge or allegation of accommodation of unaccounted money being converted into accounted or regular as such. The relevant details pertaining to the shares were already on record. This question is also a fall out of the issue or question dealt with by the Tribunal and pertaining to the addition of Rs.25,93,150/-. Barring the figure of loss that is stated to have been taken, no distinguishable feature can be or could be placed on record. For the same reasons, even this additional question cannot be termed as substantial question of law.”

14. In the case of PCIT vs. Ziauddin A Siddique (Income tax Appeal No. 2012 of 2017 dated 4th March, 2022), the Hon`ble Bombay High Court has observed as under:-

“2. We have considered the impugned order with the assistance of learned counsels and we have no reason to interfere. There is a finding of fact by the Tribunal that the transaction of purchase and sale of shares of the alleged penny stock of shares of Ramkrishna Fincap Ltd (“RFL”) is done through stock exchange and through the registered Stock Brokers. The payments have been made through banking channels and even Security Transaction Tax (“STT”) has also been paid.



ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)

Mr. Jay Hansraj Chheda

The Assessing Officer also has not criticized the documentation involving the sale and purchase of shares. The Tribunal has also come to a finding that there is no allegation against the assessee that it has participated in any price rigging in the market on the shares of RFL.

3. Therefore we find nothing perverse in the order of the Tribunal.

4. Mr. Walve placed reliance on a judgement of the Apex Court in Principal Commissioner of Income tax (Central)-1 vs. NRA Iron & Steel (P) Ltd (2019)(103 taxmann.com 48)(SC) but that does not help the revenue in as much as the facts in that case were entirely different.

5. In our view, the Tribunal has not committed any perversity or applied incorrect principles to the given facts and when the facts and circumstances are properly analysed and correct test is applied to decide the issue at hand, then, we do not think that question as pressed raises any substantial question of law.

15. Further, in the case of CIT vs. Jamnadevi Agarwal (20 taxmann.com 529 (Bom), the Hon`ble Bombay High Court has held that the transactions of purchase and sale of shares cannot be considered to be bogus, when the documentary evidences furnished by the assessee establish genuineness of the claim. In the case of PCIT vs. Indravadan Jain (HUF) (ITA No. 454 of 2018)(Bom), the broker through whom, the assessee had carried out the transactions have been alleged to have been indulged in price manipulations and the SEBI had also passed an order regarding irregularities and synchronized trades carried out in the shares by the said broker. However, the evidences furnished by the assessee with regard to purchase and sale of shares were not doubted. Under these set of facts, the Hon`ble Bombay High Court held as under:-

“...The CIT(A) came to the conclusion that respondent bought 3000 shares of RFL, on the floor of Kolkatta Stock Exchange through registered share broker. In pursuance of purchase of shares the said broker had raised invoice and purchase price was paid by cheque and respondent`s bank account has been debited. The shares were also transferred into respondent`s Demat account where it remained for more than one year. After a period of one year the shares were sold by the said broker on various dates in the Kolkatta Stock Exchange. Pursuant to sale of shares the said broker had also issued contract notes cum bill for sale and these contract notes and bills were made available during the course of appellate proceedings. On the sale of shares respondent effected delivery of shares by way of Demat instruction slips and also received payment from Kolkatta Stock Exchange. The cheque received was deposited in respondent`s bank account. In view thereof, the CIT(A) found there was no reason to add the capital gains as unexplained cash credit under section 68 of the Act. The Tribunal while dismissing the appeals filed by the Revenue also observed on facts that these shares were purchased by respondent on the floor of Stock Exchange and not from the said broker, deliveries were taken, contract notes were issued and shares were also sold on the floor of



ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)

Mr. Jay Hansraj Chheda

Stock Exchange. The ITAT therefore, in our view, rightly concluded that there was no merit in the appeal.”

16. The Ld. DR has placed reliance on the decision rendered by the Co-ordinate Bench in the case of Hitendra C Ghadia(supra), wherein the Tribunal had confirmed the additions relating to long term capital gains arising on sale of penny stock. We have gone through the said order passed by the Tribunal. First of all, we notice that none of the binding decisions rendered by Hon`ble jurisdictional Bombay High Court has been referred to by the Tribunal. Secondly, it has been mentioned clearly that the decision has been rendered on the basis of facts prevailing in that case. There cannot be any dispute that the question as to whether the capital gain declared by the assessee is genuine or not has to be decided on the basis of facts prevailing in each case. In the earlier paragraphs, we have followed the binding decision rendered by Hon`ble Bombay High Court. Hence, the Ld.DR cannot place reliance on the decision rendered by Hon`ble Kolkatta High Court in the case of Swati Bajaj (supra). Accordingly, we are of the view that the decision rendered in the above said case cannot be taken support of by the Revenue.

17. In view of the foregoing discussions, we are of the view that the Ld. CIT(A) was justified in deleting the addition of value of sale consideration arising on sale of shares of M/s. Pine Animation Ltd. Since we have confirmed the decision of Ld. CIT(A) in holding that the sale transactions of shares cannot be doubted with, the addition made by the AO with regard to estimated commission expenses is also liable to be deleted. Accordingly, we confirm the order passed by Ld. CIT(A).

18. In the result, the appeal of the Revenue is dismissed.”

13. Further, this decision was subsequently followed by the Tribunal in the case of **Suresh Maheshwari Vs. The DCIT in ITA No.3370/Mum/2025 order dated 29.10.2025** by relying on the earlier finding of the Tribunal pertaining to the same scrip M/s. Pine Animation Ltd.

14. As there are no distinguishable facts in assessee’s case brought by the Revenue, we do not find any justification in taking a contrary view as that of the earlier decisions of the Tribunal and therefore we deem it fit to allow the grounds of the appeal raised by the assessee on the aforementioned observation and dismiss the grounds of appeal raised by the Revenue.



ITA No. 2656 & 2631/Mum/2024 (A.Y. 2015-16.)
Mr. Jay Hansraj Chheda

15. In the result, the appeal filed by the assessee is hereby allowed and the appeal filed by the Revenue is hereby dismissed.

Order pronounced in the open court on 30.01.2026

Sd/-
(PRABHASH SHANKAR)
ACCOUNTANT MEMBER

Sd/-
(KAVITHA RAJAGOPAL)
JUDICIAL MEMBER

Mumbai; Dated: 30.01.2026

Karishma J. Pawar, Sr. PS

Copy of the Order forwarded to:

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

BY ORDER,

(Dy./Asstt.Registrar)
ITAT, Mumbai