

**IN THE INCOME TAX APPELLATE TRIBUNAL
"G" BENCH, MUMBAI**

**SHRI B.R. BASKARAN, ACCOUNTANT MEMBER
SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER**

**ITA No. 1154/MUM/2023
(Assessment Year: 2013-14)**

Shalini Karan Kumar,
1305, B, Meghdoot,
Off Joggers Park, Andheri (West),
Lokhandwala Complex,
Mumbai - 400053
[PAN: AMGPS9508P]

..... **Appellant**

Deputy Commissioner of Income Tax,
Central Circle 6(1), Mumbai

Vs
..... **Respondent**

Appearance

For the Appellant/Assessee : Shri Prakash Jhunjunwala
For the Respondent/Department : Shri Paresh Deshpande

Date

Conclusion of hearing : 28.06.2023
Pronouncement of order : 22.08.2023

ORDER

Per Rahul Chaudhary, Judicial Member:

1. By way of the present appeal the Appellant has challenged the order, dated 07/02/2023, passed by the Ld. Commissioner of Income Tax (Appeals)-54, Mumbai [hereinafter referred to as 'the CIT(A)'] for the Assessment Year 2013-14, whereby the Ld. CIT(A) had dismissed the appeal of the Appellant against the Assessment Order, dated 09/03/2016, passed under Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act'). As per registry there was a delay of two days in filing the appeal. We note that the last day of filing the appeal expired on holiday and the appeal was filed on the very next day (i.e. on 10/04/2023). Thus, there is no delay in the

filing of the present appeal.

2. The Appellant has raised following grounds of appeal:

"1. *On the facts and circumstances of the case and in law, the Learned CIT (Appeal) erred in confirming the disallowance of Rs. 3,47,464/- on adhoc basis being 2.5% of the expenditure of Rs. 13,89,859/- as per the grounds stated in the assessment order.*

2. *On the facts and circumstances of the case and in law, the Learned CIT(Appeal) erred in confirming the disallowance of sum of Rs. 26,63,398/- on account of interest expenses as per the grounds stated in the assessment order."*

3. The relevant facts in brief are that the Appellant, is a resident individual running proprietorship concern in the name and style of M/s Anjay Prints engaged in the business of packing of printing materials., filed return of income for the Assessment Year 2013-14 on 30/09/2013 declaring total income of INR 88,85,040/-. The case of Appellant was selected for scrutiny and assessment under Section 143(3) of the Act was completed vide Assessment Order, dated 09/03/2016, passed under Section 143(3) of the Act assessed total income of the Appellant at INR 1,18,95,910/- after making inter alia, following additions and disallowances; (a) disallowance of various expenses aggregating to INR 3,47,464/- (b) disallowance of interest expenses of INR 1,50,000/- and INR 25,13,398/-.

4. Being aggrieved, the Appellant preferred appeal before CIT(A) against the addition /disallowance, the CIT(A) vide order dated 07/02/2022, dismissing the appeal preferred by the Appellant.

5. Being aggrieved, the Appellant is in appeal before us on the grounds reproduced in paragraph 2 above.

6. Ground No. 1 is directed against the disallowance of expenditure of adhoc disallowance of INR 3,47,464/- and computed @ 25% of

various expenses aggregating to INR 13,89,859/- while Ground No. 2 is directed against the disallowance of aggregate interest expenses of INR 26,63,398/-.

7. The Ld. Authorized Representative for the Appellant appearing before us placed on record application for admission of additional evidence accompanied by affidavit of the Appellant in relation to both the above disallowance made by the Assessing Officer. The Ld. Authorised Representative for the Appellant submitted that the Appellant was not able to obtain and furnished the documents during the assessment or appellate proceedings on account of personal difficulties faced by the Appellant on account of her father demise in October 2013 followed by her elder brother demise in October 2017. The Appellant was in state of mental shock/depression during the aforesaid period and was also suffering from various illnesses. The Appellant was also entangled in several litigations in relation to Elder Pharmaceuticals Ltd. - a company promoted by Appellant's father facing liquidation proceedings at the relevant time. Further, to propound the situation the Appellant did not receive appropriate professional legal advice. On the basis of aforesaid, the Ld. Authorised Representative for the Appellant submitted that the additional evidence now furnished by the Appellant be admitted and the matter be remanded back to the file of the CIT(A) for fresh adjudication after taking into consideration the additional evidence placed on record by the Appellant.
8. We have gone through the affidavit of the Appellant sworn on 27/06/2023. There was nothing on record to disbelief the submissions/averments made. In our view, given the facts and circumstances of the case, the Appellant has sufficient cause for not filing the additional evidence during the assessment or first appellate

proceedings. On examining the additional evidence we find that the additional evidence is necessary for proper adjudication of the issue raised in the appeal and the same would have material bearing on adjudication of both the issues raised in the Appeal. Further, no prejudice shall be caused to the Revenue as the Revenue would have opportunity to verify and rebut the additional evidence. Therefore, we deem it appropriate to exercise our discretion under Rule 29 of the Income Tax (Appellate Tribunal) Rules, 1962 in favour of the Appellant by admitting the additional evidence and remand the issue back to the file of the CIT(A) for fresh adjudication.

9. Accordingly, we remand both the issues raised in the present appeal back to the file of CIT(A) for fresh adjudication after taking into consideration the additional evidence placed before us vide letter dated 28/06/2023 (consisting of 68 pages). In view of the above, Ground No. 1 & 2 raised by the Appellant are allowed for statistical purposes.
10. In result, the present appeal preferred by the Assessee is treated as allowed for statistical purposes.

Order pronounced on 22.08.2023.

Sd/-
(B.R. Baskaran)
Accountant Member

Sd/-
(Rahul Chaudhary)
Judicial Member

मुंबई Mumbai; दिनांक Dated : 22.08.2023
Alindra, PS

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त/ The CIT
4. प्रधान आयकर आयुक्त / Pr.CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुंबई / DR, ITAT,
Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

उप/सहायक पंजीकार / (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, मुंबई / ITAT, Mumbai