

**IN THE INCOME TAX APPELLATE TRIBUNAL
'G' BENCH: MUMBAI**

**BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT AND
SHRI JAGADISH, ACCOUNTANT MEMBER**

**I.T.A. No. 804/Mum/2025
Assessment Year: 2018-19**

**Goldmohur Design And Apparel
Park Limited**
145 Goldmohur Mill, Dada Saheb
Phalke Road, Dadar East, Mumbai-
400014

Vs. DCIT – Circle 7(1)(1),
126, 1st Floor, Aaykar Bhavan,
M.K. Road,
Mumbai-400020

PAN: AADCG1613M

(Appellant)

(Respondent)

Appellant by	:	Ms. Dinkle H. Hariya,
Respondent by	:	Shri Arun Kanti Datta, CIT D.R.
Date of Hearing	:	11.12.2025
Date of Pronouncement	:	08.01.2026

ORDER

PER JAGADISH, A.M :

Aforesaid appeal filed by the assessee for Assessment Year (AY) 2018-19 arises out of the order of National Faceless Appeal Centre (NFAC), Delhi [hereinafter "CIT(A)"] dated 07.12.2024. in the matter of assessment framed Assessing Officer [hereinafter "AO"] u/s. 144 r.w.s 143(3A) & 143(3B) of the Income-tax Act, 1961 (hereinafter "the Act") dated 02.02.2021. The assessee has raised following grounds of appeal :

“1. THE ORDER IS BAD IN LAW, ILLEGAL AND WITHOUT JURISDICTION

1.1 In the facts and the circumstances of the case, and in law, the appellate order framed by the Commissioner of Income tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, [‘Ld. CIT (A)’] is bad in law, illegal and without jurisdiction, as the same is framed in breach of the statutory provisions and as otherwise also is not in accordance with the law.

1.2 Otherwise also, in the facts and the circumstances of the case, and in law, the appellate order so framed by the Ld. CIT (A) is bad in law, illegal and void as the same is arbitrary and perverse.

2. VIOLATION OF PRINCIPLES OF NATURAL JUSTICE

2.1 The Ld. CIT (A) erred in not granting proper, sufficient and adequate opportunity of being heard to the Appellant while framing the appellate order.

2.2 It is submitted that, in the facts and the circumstances of the case, and in law. the appellate order so framed be held as bad and illegal, as:

- (i) The same is framed in breach of the principles of natural justice: and
- (ii) The same is passed without application of mind to the facts.

WITHOUT FURTHER PREJUDICE TO THE ABOVE-

3. ADDITION OF THE AMOUNT OF RS. 14,39,701/- ON ACCOUNT OF MISMATCH OF INTEREST INCOME IN TERMS OF FORM 26AS 3.

3.1 The Ld. CIT (A) erred in confirming the action of the A.O. in making addition of the amount of Rs. 14,39,701/- on the ground of alleged difference in the amount of interest income as reflected in the accounts and as appearing in Form 26AS of the Appellant.

3.2 While doing so, the Ld. CIT (A) erred in.

- (i) Basing his action on surmises, suspicion and conjecture:
- (ii) Taking into account irrelevant and extraneous considerations, and
- (iii) Ignoring relevant material and considerations as submitted by the Appellant.

3.3 It is submitted that in the facts and the circumstances of the case, and in law. no such addition was called for.

3.4 *Without prejudice to the above, assuming but not admitting that some addition was called for, it is submitted that the computation of the addition made by the A.O. is arbitrary, excessive and not in accordance with the law.*

WITHOUT FURTHER PREJUDICE TO THE ABOVE -

4. ADDITION OF THE AMOUNT OF RS. 23,07,379/- ON ACCOUNT OF MISMATCH OF SALE OF SERVICES IN TERMS OF FORM 26AS

4.1 *The Ld. CIT (A) erred in confirming the action of the A.O. in making addition of the amount of Rs. 23,07.379/- on the ground of alleged difference in the amount of sale of services [revenue from operations] as reflected in the accounts and as appearing in Form 26AS of the Appellant.*

4.2 *While doing so, the Ld. CIT (A) erred in:*

- (i) Basing his action on surmises, suspicion and conjecture:*
- (ii) Taking into account irrelevant and extraneous considerations; and*
- (iii) Ignoring relevant material and considerations as submitted by the Appellant.*

4.3 *It is submitted that in the facts and the circumstances of the case, and in law, no such addition was called for.*

4.4 *Without prejudice to the above, assuming but not admitting that some addition was called for. the Ld. CIT (A) failed to appreciate that the computation of the addition made by the A.O. is arbitrary, excessive and not in accordance with the law.”*

2. The assessee is engaged in the business of manufacturing readymade garments and trading in textiles. It filed its return of income for the year under consideration declaring a total income of ₹13,09,98,430/-.

3. The assessment was completed ex-parte under section 144 of the Act, wherein the Ld. AO made the following additions on the

ground of mismatch between the income disclosed by the assessee and the figures reflected in Form 26AS:

1. Interest income mismatch – ₹14,39,701/-
2. Sale of services mismatch – ₹23,07,379/-

4. During the assessment proceedings, the assessee furnished reconciliation statements along with credit notes, debit notes, and explanatory submissions contending that the interest income reflected in Form 26AS pertained to amounts already offered to tax in earlier assessment years and the difference in sale of services largely arose due to reimbursement of 50% salary cost of key managerial personnel who were common to the assessee and M/s Apollo Design Apparel Parks Limited, and therefore did not partake the character of income.

5. The Ld. CIT(A), however, rejected the explanation primarily on the ground that corroborative evidences such as prior-year ledger accounts and proof of offering the income to tax in earlier years were not furnished, and accordingly confirmed the additions.

6. The Ld. Authorised Representative (A.R) submitted that the reconciliation of interest income along with supporting credit notes had been placed on record and that the addition was sustained merely for want of production of ledger accounts of the preceding year, despite

the explanation being plausible and verifiable from departmental records.

7. With respect to the addition on account of sale of services, it was submitted that the debit note represented pure reimbursement of salary expenses of key managerial personnel who were rendering services to both group entities and that there was no income element embedded therein.

8. The Ld. Departmental Representative (Ld. D.R) on the other hand relied upon the orders of the lower authorities.

9. We have carefully considered the rival submissions and perused the material available on record. As regards to Interest Income mismatch – ₹14,39,701/- , we note that the addition has been sustained solely on the ground that the assessee failed to substantiate, by way of documentary evidence, that the interest income reflected in Form 26AS had already been offered to tax in earlier assessment years. At the same time, it is evident that the assessee has furnished reconciliation statements and credit notes explaining the nature and timing difference. In our considered view, the issue is essentially one of factual verification. If the assessee's contention that the income has already suffered tax in an earlier year

is correct, taxation of the same amount again would result in double taxation, which is impermissible in law. Therefore, in the interest of justice, we deem it appropriate to restore this issue to the file of the Ld. AO with a direction to verify whether the impugned interest income has been offered to tax in the preceding assessment year, and if so, to delete the addition in accordance with law.

10. As regards the addition on account of mismatch of sale of services ₹23,07,379/-, we observe that the Ld. CIT(A) has expressed doubts regarding the debit note raised towards reimbursement of salary of key managerial personnel, without undertaking any meaningful verification of the underlying facts. The assessee's claim that the personnel were common to both entities and that the salary cost was shared on a 50:50 basis is a matter capable of verification from records. Whether the transaction represents income or mere reimbursement cannot be decided in a summary manner without examining the nature of services rendered, the agreement between the parties, and the accounting treatment in the hands of both entities. Accordingly, this issue is also restored to the file of the Ld. AO, who shall examine the assessee's claim of reimbursement of salary expenses, verify the corresponding treatment in the hands of the

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recipient entity, and thereafter decide the issue in accordance with law after affording due opportunity of being heard to the assessee.

11. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced on 8th day of January, 2026 at Mumbai.

Sd/-

(SAKTIJIT DEY)
Vice President

Sd/-

(JAGADISH)
Accountant Member

Mumbai, Dated: 8th January, 2026.

Poonam Mirashi
(Stenographer)

Copy of the order forwarded to:

1. Appellant
2. Respondent
3. The CIT
4. The CIT (Appeals)
5. The DR, I.T.A.T.

By order

(Asstt. Registrar)
ITAT, Mumbai