

IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" PANAJI BENCH

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

I T A. No.370/PAN/2025

(A.Y. 2017-18)

Mukesh Vishwanath Kadam, 1767, Jatravesh Dhor Galli, Nipani,Belgaum-591237, Karnataka.	Vs .	I.T.O-Ward-1, Nemchand Building, 747,AshokNagar, Nippani-591237, Karnataka.
PAN .No.DVQPK9533N		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	Shri.Pramod .Y.Vaidya.AR.
Revenue by	Smt.Rijula Uniyal.Sr. DR.

सुनवाई की तारीख/Date of Hearing	07.01.2026
घोषणाकीतारीख/DateofPronouncement	13.01.2026

ORDER

PER PAVAN KUMAR GADALE, JM:

The appeal is filed by the assessee against the order of the ADDL/J CIT (A)- Agra passed u/sec 250 of the Act. The assessee has raised the grounds of appeal challenging the order of the CIT(A) sustaining the addition u/sec 69A of the Act made by the Assessing Officer.

2. The brief facts of the case are that, the assessee is engaged in the business of manufacture and sale of handmade kholhapuri chappals. The assessee has not filed the income tax return u/sec 139(1) of the Act for the impugned assessment year. The assessee was on

12.12.2016 was travelling in car along with another person with the cash of Rs.25,20,000/-and the police authorities have seized cash and the assessee admitted that out of above seized cash Rs.13,00,000/- belongs to him and subsequently requisitioned u/sec132A of the Act by the income tax department and summons u/sec131 of the Act are issued by the ADIT(Inv) Belgaum and the assessee's statement was recorded u/sec131(1) of the Act on 30.12.2016. Subsequently notice u/sec153A of the Act was issued by the assessing officer and the assessee has filed the return of income on 29.12.2017 for A.Y.2017-18 disclosing a total income of Rs.4,53,180/-. Further notice u/sec 143(2) and U/sec142(1) of the Act along with the questionnaire are issued. In compliance, the Ld.AR of the assessee appeared and filed the submissions and clarifications. Whereas the Assessing Officer(A.O) find that the assessee has not offered the seized cash of Rs.13 Lakhs as his additional income over and above the regular income in the return of income filed for A.Y.2017-18. The A.O has issued show cause dated 01.10.2018 and the assessee has filed detailed submissions that the seized amount are the savings out of earlier years income and was accumulated over the years and was reflected in the statement of affairs maintained by the assessee. Whereas the assessing officer was not satisfied with the explanations and dealt on the questions and answers raised in the statement recorded u/sec131(1) of the Act and made addition of Rs.13,00,000/- u/sec69A of the Act

and assessed the total income of Rs.17,53,180/- and passed the order u/sec 143(3) of the Act dated 31.12.2018.

3. Aggrieved by the order, the assessee has filed an appeal before the CIT(A), whereas the CIT(A) has considered the grounds of appeal, statement of facts, submissions and findings of the AO but has confirmed the action of the assessing officer and dismissed the assessee appeal. Aggrieved by the order of the CIT(A), the assessee has filed an appeal before the Hon'ble Tribunal.

4. At the time of hearing, the Ld.AR submitted that the CIT(A) has erred in confirming the action of the A.O overlooking the facts and submissions of the assessee in the proceedings. Further the Ld.AR submitted that the assessee has filed the return of income for the earlier years disclosing the closing balances of cash on hand and the assessment were completed by the income tax department. The assessee has a good case on merits and has filed an application for admission of the additional evidence under Rule 29 of ITAT rules. Per contra, the Ld. DR submitted that the evidences were not examined by the lower authorities and the Ld. DR supported the order of the CIT(A).

5. Heard the rival submissions and perused the material on record. The sole crux of the disputed issue that the CIT(A) has erred in confirming the addition made by the A.O. as the transactions are not supported with the documentary evidences. The Ld.AR emphasized that the assessee has

submitted the details as called for by the authorities. Further in response to the notice issued under sec153A of the Act for A.Y.2013-14 to 2016-17. The assessee has filed the return of income disclosing income and cash on hand in the ITR filed and the income tax department has passed the assessment order u/sec143(3) r.w.s153A of the Act for above assessment years and referred to the copies filed in the paper book. Whereas for A.Y.2017-18, the financial statements with supporting evidences could not be filed in the proceedings and now the assessee is filling the application for admission of additional evidences under Rule 29 of ITAT rules along with financial statements, cash book and general ledger placed at S.no.1 to 106 of the application which could not be submitted before the lower authorities. Further the evidences play a important role in decision making in the adjudicating proceedings. Therefore considering the facts, circumstances, submissions and additional evidence, the assessee should not suffer for non filing of material information, as the evidence (subject to verification by the revenue authorities) play a vital role in decision making and is admitted, further the lower authorities are required to examine and verify the evidence as per the provisions of the Act.Hence considering the principles of natural justice, the additional evidence filed by the assessee is remitted to the file of the CIT(A) to verify and call for the report of the assessing officer on the evidence filed and to adjudicate afresh on merits and the assessee should be provided

adequate opportunity of hearing and shall cooperate in submitting the information for early disposal of appeal. And the grounds of appeal of the assessee are allowed for statistical purposes.

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

Order pronounced on 13/01/2026 as per rule 34(5) of the ITAT Rules 1963.

**Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER**

Panaji Dated: 13/01/2026

Copy of the Order forwarded to:

1. The Appellant,
 2. The Respondent
 3. The CIT(A)-
 4. CIT
 5. DR, ITAT,
 6. Guard file.
- //True Copy//

BY ORDER,
(Asstt. Registrar)ITAT,
Panaji

		Date	<u>Initial</u>	
1.	Draft dictated on			PS
2.	Draft placed before author			PS
3.	Draft proposed & placed before the second member			PS
4.	Draft discussed/approved by Second Member.			PS
5.	Approved Draft comes to the Sr.PS/PS			PS
6.	Kept for pronouncement on			
7.	File sent to the Bench Clerk			
8.	Date on which file goes to the AR			
9.	Date on which file goes to the Head Clerk.			
10.	Date of dispatch of Order.			
11.	Dictation Pad is enclosed			