

**IN THE INCOME-TAX APPELLATE TRIBUNAL, MUMBAI“D” BENCH, MUMBAI
BEFORE SHRI VIKRAM SINGH YADAV, ACCOUNTANT MEMBER AND
SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER
ITA No. 7252/MUM/2025(AY: 2016-17)**

Manish BhavanjiBheda Room No. 25, Vishwas Niwas No. 9, Acharya Donde Marg, Parel, Mumbai-400012.	vs.	The Deputy Commissioner of Income Tax, Circle 20(1), Room No. 305, Piramal Chambers, Dr. S. S. Rao Road, Lalbaug, Mumbai-400012.
PAN/GIR No:AEKPB1041E		
(Appellant)		(Respondent)

Appellant by	None
Respondent by	Shri AnnavaramKosuri, Sr. AR
Date of Hearing	14.01.2026
Date of Pronouncement	19.01.2026

ORDER

PER VIKRAM SINGH YADAV, AM:

The appeal filed by the assessee emanates from the order passed under section 250 of the Income-tax Act, 1961 (in short, 'Act') by the learned Commissioner of Income-Tax, National Faceless Appeal Centre[in short, 'CIT(A), NFAC'], Delhi, dated 16.09.2025 for the Assessment Year 2016-17.

2. The grounds of appeal raised by the assessee read as under:

"1. Addition of Rs.86,00,000/- U/S 68 as Unexplained Cash Credit in respect of Unsecured Loan from ten Parties for which Loan Confirmation Letters allegedly not furnished: -

On the facts and circumstances of the case and in law, Honorable Commissioner (Appeals) has erred in confirming the addition of Rs.86,00,000/- in respect of Unsecured Loan from ten parties for which Loan Confirmation Letters allegedly not furnished, U/S 68 in the Assessment Order U/S 143 (3) dated 25-12-2018 in spite of the fact that-

a. The Assessing Officer has failed to provide the opportunity of being heard when the Authorised Representative of the Assessee has brought for submission to the Assessing Officer on 21-12-2018 Confirmation Letters with supporting documents in respect of five parties out of the ten parties which he has refused to accept. They were filed on e-Filing Portal on 25-12-2018 as the Assessing Officer has blocked the submissions till 24-12-2018. However, the Assessing officer has not considered by them while passing order U/S 143 (3) dated 25-12-2018.

b. Assessee has filed Balance Confirmation Letters in the Remand Proceedings U/Rule 46A which is not considered at all by the Commissioner (Appeals).

Therefore, the addition of Rs.86,00,000/- U/S 68 is bad in law and needs to be deleted.

II. Addition of Rs.1,30,00,000/-in respect of Unsecured Loan from 27 Parties in respect of which Creditworthiness is allegedly not proved:-

On the facts and circumstances of the case and in law, Honorable Commissioner (Appeals) has erred in confirming the addition of Rs.1,30,00,000 in respect of Unsecured Loan from 27 Parties in spite of the fact that: -

a. The Assessing Officer has not asked for any specific documents in respect of Loan Creditors. So Assessee has furnished documents relating to Identity, Genuineness and Creditworthiness of Loan Creditors as provided by the Loan Creditors to him.

b. The Assessing Officer has failed to utilize his verification powers under the law to clarify his doubts and ask for additional documents by conducting enquiries as well as issuing notice/summons to the Loan Parties for the reasons best known to him.

c. The Assessing Officer has violated the principal of natural justice by not giving any show cause notice or opportunity to Assessee to clarify about the creditworthiness of the 27 parties in question before making addition in the Assessment Order.

Therefore, the addition of Rs.1,30,00,000/- U/S 68 is bad in law and needs to be deleted.

III. Your appellant craves leave to add, alter, modify or delete any of the foregoing Grounds of Appeal.”

3. Briefly, the facts of the case are that the assessee has filed his return of income declaring loss of Rs. 24,052,648/- which was selected for scrutiny and subsequently, after issuance of notice calling for necessary information and documentation, the AO has made an addition of Rs. 2,16,00,000/- in terms of unexplained cash credit u/s. 68 of the Act in respect of various loan creditors from whom the assessee has received loan during the financial year relevant to the impugned assessment year. The assessee thereafter carried the matter in appeal before the Id. CIT(A) who has since dismissed the appeal so filed by the assessee and the findings of the AO have been confirmed and against the said order, the assessee is in appeal before us.

4. None appeared on behalf of the assessee nor was any adjournment application filed. Considering the same and matter under consideration, it was decided that no useful purpose will be served in adjourning the matter any further and to proceed with the matter basis material available on record.

5. We have heard the Id. DR and perused the material available on record. In his grounds of appeal, the assessee has submitted that he has tried to file certain confirmation letters along with supporting documents in respect of certain parties. However, the AO has not considered them while passing the assessment order u/s. 143(3) of the Act and has made an addition of Rs 86,00,000/-. It has been further submitted that the assessee has also moved an application under Rule 46A before the Id. CIT(A). However, even the Id. CIT(A) has not considered and disposed off the assessee's application under Rule 46A. In respect of remaining 27 parties, it has been contended that the assessee has filed the necessary documents. However, the AO has not asked for any further information and documentation nor has conducted any independent enquiry

and without issuing any specific show-cause to the assessee, has made an addition of Rs. 1,30,00,000/- invoking provisions of section 68 of the Act. From the impugned order, we find that there is no specific finding recorded by the Id. CIT(A) either accepting or rejecting the assessee's application seeking admission of additional evidences. We, therefore, find that matter deserve to be set aside to the file of Id. CIT(A) to consider the assessee application moved under Rule 46A. Since we are setting aside the matter relating to addition of Rs. 86,00,000/- to the file of Id. CIT(A), the other matter relating to the addition of Rs. 1,30,00,000/- is also set aside to the file of Id. CIT(A). The Id CIT(A) is directed to consider the matter afresh including the assessee's application for additional evidence and decide the same as per law after providing reasonable opportunity to the assessee.

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

Order is pronounced on 19.01.2026

Sd/-
(RAHUL CHAUDHARY)
JUDICIAL MEMBER

Sd/-
(VIKRAM SINGH YADAV)
ACCOUNTANT MEMBER

Anandi.Nambi(Steno)
MUMBAI
Date: 19.01.2026

Copy of the Order forwarded to:

1. The Assessee
2. The Respondent
3. The CIT(A)
4. CIT
5. DR/AR, ITAT, MUMBAI
6. Guard File

By Order

Assistant Registrar
ITAT, MUMBAI