

IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI "D" BENCH : MUMBAI

BEFORE SHRI VIKRAM SINGH YADAV, ACCOUNTANT MEMBER
AND
MS. KAVITHA RAJAGOPAL, JUDICIAL MEMBER

ITA No. 5900/Mum/2025
Assessment Year : 2023-24

Ravi Bansilal Darira, 10 th Floor, Supreme Serenity, 16 th Road, Khar Delivery S.O. Mumbai-400052. PAN : AAHPD2499M	vs.	Deputy Commissioner of Income Tax, Circle-15(3)(1), Aayakar Bhavan, Mumbai-400020.
(Appellant)		(Respondent)

For Assessee :	Shri Vijay Jadhav
For Revenue :	Shri Annavarani Kosuri

Date of Hearing :	22-01-2026
Date of Pronouncement :	28-01-2026

ORDER

PER VIKRAM SINGH YADAV, A.M :

This is an appeal filed by the assessee against the order of the Learned Commissioner of Income Tax (Appeals)-National Faceless Appeal Centre (NFAC), Delhi [‘Ld.CIT(A)’], dated 28-08-2025, pertaining to Assessment Year (AY) 2023-24.

2. Briefly, the facts of the case are that the assessment in this case was completed u/s. 143(3) r.w.s. 144B of the Income Tax Act, 1961 (‘the Act’), vide order passed by the NFAC, Delhi dt. 24-02-2025, wherein the AO has made an addition of Rs. 4,61,83,532/- as undisclosed business income in

the hands of the assessee. The assessee thereafter carried the matter in appeal before the Ld.CIT(A), who has since dismissed the assessee's appeal and against the said order, the assessee is in appeal before us.

3. During the course of hearing, the Ld.AR submitted that the assessee was carrying on business as sole proprietor under the name and style of Raviraj Process Controls upto 31-03-2022 and w.e.f. 01-04-2022, the entire business was transferred to a newly incorporated company, namely, Raviraj Process Controls Private Limited under a duly executed business transfer agreement and all assets, liabilities, contracts, customers and operations stood vested in the company. It was further submitted that the said company has filed its return of income for AY. 2023-24 declaring total income of Rs. 29.49 crores which includes transactions under dispute. It was further submitted that the AO treated the entire amount of Rs. 4,61,83,532/- appearing in Form-26AS of the assessee as undisclosed business income without appreciating that the business already stood transferred, the invoices were raised by the company and not by the assessee and the income already been offered to tax in the return of income filed by the assessee-company. It was submitted that Form-26AS is only an information statement and cannot determine the taxability by itself and real income theory mandates taxation in the hands of the person, who actually earned and retained the income, in the present case, the company. It was submitted that the entire disputed turnover is already offered to tax in the company's assessment and there is no escapement of income and in fact, claim of TDS credit by the assessee was a procedural necessity, since TDS was wrongly deducted under his PAN by the customers and submitted that the addition leads to impermissible double taxation, which as per settled legal position cannot be sustained. It was also submitted that the assessee has filed detailed submissions before the

Ld.CIT(A), however, the submissions so filed have not been considered and which has resulted in grave injustice. It was accordingly submitted that necessary relief be provided to the assessee.

4. The Ld.DR has been heard, who has relied on the orders of the lower authorities.

5. We have heard the rival contentions and perused the material available on record. On perusal of the impugned order, we find that the Ld.CIT(A) has recorded a finding that the business was transferred to the company from 01-04-2022 and the company has also filed its return of income, showing the turnover of Rs. 29.49 crores. However, certain discrepancies were noticed by the Ld.CIT(A) and it was held by him that the claim of double taxation is only partly true and basis that and the fact that the assessee has claimed TDS credit, the Ld.CIT(A) has confirmed the action of the AO, where whole of the amount of Rs. 4,61,83,532/- has been brought to tax in the hands of the assessee. We find that where the assessee has submitted detailed submissions including re-conciliation statement in terms of various entries which have been reported in the assessee's Form-26AS as well as Form-26AS of the company and has identified certain over-lapping entries as well, it would be essential to carry out a detailed verification in order to examine the claim of the assessee that the whole of the transactions so reported in assessee's Form-26AS have been duly reported in the hands of the company. In the light of the same, we find that it would be appropriate that the matter is set aside to the file of the AO to carry out the necessary verification and examination and the assessee is also directed to file necessary information/documentation in support of his claim that the transactions and the consequent revenues have been offered to tax in the hands of the

company. The matter is accordingly set aside to the file of the AO for *denovo* assessment, after providing reasonable opportunity to the assessee.

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

Order pronounced in the open court on 28-01-2026.

Sd/-
[MS. KAVITHA RAJAGOPAL]
JUDICIAL MEMBER

Mumbai,
Dated: 28-01-2026

TNMM

Sd/-
[VIKRAM SINGH YADAV]
ACCOUNTANT MEMBER

Copy to :

- 1) The Appellant
- 2) The Respondent
- 3) The CIT concerned
- 4) The D.R, ITAT, Mumbai
- 5) Guard file

By Order

Dy./Asst. Registrar
I.T.A.T, Mumbai