

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई।  
IN THE INCOME TAX APPELLATE TRIBUNAL  
'B' BENCH: CHENNAI

सुश्री पदमावती यस, लेखक सदस्य एवं श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष  
BEFORE MS. PADMAVATHY.S, ACCOUNTANT MEMBER AND  
SHRI MANU KUMAR GIRI, JUDICIAL MEMBER

आयकर अपील सं./ITA No.3365/Chny/2025  
निर्धारण वर्ष /Assessment Year: 2020-21

Natarajan Vasudevan,  
14, Bharathi Garden,  
Klaveerampalayam,  
Bharathiyar University S.O.,  
Coimbatore North,  
Coimbatore – 641 046.  
PAN: ACMPV 1270H

The Income Tax Officer,  
Vs. Non Corporate Ward-3(2),  
Coimbatore.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by  
प्रत्यर्थी की ओर से /Respondent by

: Mr. S. Bhupendran, Advocate  
: Ms. Gouthami Manivasagam, Addl. CIT

सुनवाई की तारीख/Date of Hearing  
घोषणा की तारीख /Date of Pronouncement

: 21.01.2026  
: 29.01.2026

**आदेश / ORDER**

**PER PADMAVATHY.S, A.M:**

This appeal by the assessee is against the order of the Commissioner of Income Tax / National Faceless Appeal Centre (NFAC), Delhi, (in short "CIT(A)") passed u/s. 250 of the Income Tax Act, 1961 (in short "the Act") dated 25.09.2025 for Assessment Year (AY) 2020-21. The grounds of appeal raised by the assessee are as under:

1) *The Impugned Order is unjust, unreasonable and bad in law.*

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*2) The learned First Appellate Authority erred in sustaining the additions without considering the explanations and submissions in proper perspective.*

*3) The learned First Appellate Authority erred in confirming the order of the Assessing Officer, when all facts are manifestly clear in the records of the appellant with the Revenue, in so far as the validity of the notice under sec. 148, wherein time limit of more than what has been mandated has been given for compliance.*

*4) The learned First Appellate Authority erred in confirming the order of the Assessing Officer, when all facts are manifestly clear in the records of the appellant with the Revenue, in so far as the validity of the notice under sec.148, as such notice has been issued by the JAO, instead of FAO, thereby violating sec. 151A.*

*5) When the appellant has applied for admission of Additional Evidence under Rule-46A, the learned First Appellate Authority erred in rejecting such prayer, more particularly, when the appellant gave valid reasons for such admissions. (Attention is invited to para-4 of the order of the First Appellate Authority)*

*6) When the assessment has been completed by order under sec. 144, vide para-15 of the assessment order, the learned First Appellate Authority erred in dismissing the appeal, without considering the scope and effect of the proviso to sec.251(1)(a).”*

2. The assessee is an individual and did not file the return of income for AY 2020-21. The Assessing Officer (AO) received information that the assessee has entered into certain financial transactions during the year under consideration. Therefore the AO issued a notice u/s.148A(b) of the Act and since the assessee did not file any response passed the order u/s.148A(d) of the Act on 28.03.2024. The AO also issued a notice u/s.148 on the same day and the assessee filed the return of income in response on 15.04.2024 declaring total income of Rs.1,30,600. The AO completed the assessment u/s.147 assessing income at Rs.1,13,48,150. Aggrieved the assessee filed further appeal before the CIT(A). The assessee furnished certain additional evidences before the CIT(A) which the CIT(A) refused to admit. The relevant observations of the CIT(A) is extracted hereunder –

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*“5.2 Ground No. 2 pertains to the addition made by AO of Rs. 86,60,200/- u/s69A of the Act. During appeal proceedings the appellant has submitted additional evidence under Rule 46A which are as under:*

*(i) Agriculture sale bills*

*(ii) Agricultural expense vouchers for fertilizer, seed expenses, wages, plating expenses etc.*

*(ii) Lease documents for cultivation*

*1. Date wise breakup of cash deposits explained with source.*

*The appellant submitted that due to an accident in first week of February, he suffered movement restrictions and back pain for a period of 15 days due to this age factor. A copy of medical certificate was also submitted by the appellant. However, on perusal of the said certificate, it was noticed that in the said certificate appellant is advised for bed rest is for 05.02.2025 to 19.02.2025. However, the certificate was issued on 29.03.2025 which means that certificate has been issued for illness/ back pain in back date which is not the normal procedure acquired by medical practitioners. Therefore, the medical certificate given by the appellant is not reliable.*

*As per the rule 46A of I.T. Rules, 1962, the CIT(A) can permit to admit fresh of additional evidence only under the following circumstances:*

*a) where the AO has refused to admit evidence, which ought to have been admitted, or*

*b) where the appellant was prevented by sufficient cause from producing the evidence which he was called upon to produce by the AO, or*

*c) where the appellant was prevented by sufficient cause from producing before the AO any evidence which is relevant to any ground of appeal, or*

*d) where the AO has made the order appealed against without giving sufficient opportunity to the appellant to adduce evidence relevant to ground of appeal*

*However, the present case of the appellant does not fulfil any of the above mentioned conditions for admissibility of additional evidence as various opportunities were given by AO to the appellant during assessment proceedings and the appellant did not comply to any of the notices issued.*

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*At this point, it is appropriate and worthy to follow the judgment of Hon'ble High Court of Delhi in the case of Commissioner of Income Tax vs Manish Build Well (P) Ltd. 204 Taxman 106 (Del) wherein the Hon'ble Delhi High Court held that once the assessee invokes Rule 46A of the Rules and prays for additional evidence before the Commissioner of Income Tax(A), then the procedure prescribed in the said Rule has to scrupulously followed. Otherwise it would reduce Rule 46A to a dead letter. The operative para 24 of above judgment is being respectfully reproduced below:-*

*"24. In the present case, the CIT (A) has observed that the additional evidence should be admitted because the assessee was prevented by adducing them before the assessing officer. This observation takes care of clause (c) of sub-rule (1) of Rule 46A. The observation of the CIT (A) also takes care of sub-rule (2) under which he is required to record his reasons for admitting the additional evidence. Thus, the requirement of sub-rules (1) and (2) of Rule 46A have been complied with. However, sub-rule (3) which interdicts the CIT (A) from taking into account any evidence produced for the first time before him unless the Assessing Officer has had a reasonable opportunity of examining the evidence and rebut the same, has not been complied with. There is nothing in the order of the CIT (A) to show that the Assessing Officer was confronted with the confirmation letters received by the assessee from the customers who paid the amounts by cheques and asked for comments. Thus, the end result has been that additional evidence was admitted and accepted as genuine without the Assessing Officer furnishing his comments and without verification. Since this is an indispensable requirement, we are of the view that the Tribunal ought to have restored the matter to the CIT (A) with the direction to him to comply with sub-rule (3) of Rule 46A. In our opinion and with respect, the error committed by the Tribunal is that it proceeded to mix up the powers of the CIT (A) under sub section (4) of Section 250 with the powers vested in him under Rule 46A. The Tribunal seems to have overlooked sub-rule(4) of Rule 46A which itself takes note of the distinction between the powers conferred by the CIT (A) under the statute while disposing of the assessee's appeal and the powers conferred upon him under Rule 46A. The Tribunal erred in its interpretation of the provisions of Rule 46A vis-a-vis Section 250(4). Its view that since in any case the CIT (A), by virtue of his conterminous powers over the assessment order, was empowered to call for any document or make any further enquiry as he thinks fit, there was no violation of Rule 46A is erroneous. The Tribunal appears to have not appreciated the distinction between the two provisions. If the view of the Tribunal is accepted, it would make Rule 46A otiose and it would open up the possibility of the assessee's contending that any additional evidence sought to be introduced by them before the CIT (A) cannot subjected to the conditions prescribed in Rule 46A because-in any case the CIT (A) is vested with conterminous powers over the assessment orders or powers of*

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*independent enquiry under sub-section (4) of Section 250. That is a consequence which cannot at all be countenanced."*

*Considering the provisions of the Rule 46A of I.T.Rules, 1962, facts of the case and the above mentioned judicial pronouncement, I am of the view that the appellant 's case does not fulfil the conditions prescribed in rule 46A of I.T.Rules, 1962 for admission of additional evidences. Accordingly, the additional evidences filed by the appellant are not admitted.*

*Without prejudice to above, on merit also the submission of appellant is not acceptable. The appellant has stated that he sold jewellery amounting to Rs.8,00,000/- but the appellant has failed to submit bills in support of his claim regarding the sale of jewellery.*

*Further during the assessment the appellant stated that he has received gift of Rs.15,00,000/- from his parents which was their lifetime savings. However, no documentary evidences were submitted by the appellant with regard to the creditworthiness of his parents to give such a huge amount of money as gift. However, in appeal the appellant changed his stand and stated that the gift was received by parents in 2017 and was used by appellant in funding agricultural activities, eventually forming part of proceeds generated from agricultural operations. The appellant has completely changed his stand which is not acceptable.*

*Further, the appellant has stated that out of total cash deposits of Rs.86,60,200/-deposits of Rs. 17,63,500/- were made from cash withdrawals made by the appellant."*

3. However the CIT(A) based on material on record gave partial relief to the assessee. The assessee is in appeal before the Tribunal against the order of the CIT(A).

4. We heard the parties and perused the material on record. The Id AR submitted that the legal issue contended through Ground No.3 & 4 are not pressed. Accordingly, these grounds are dismissed as not pressed. We notice from the above observations of the CIT(A), that though the fact that the assessee has submitted certain relevant documents in support of his claim, the CIT(A) has denied admitting the same stating that the assessee has not fulfilled the conditions under Rule 46A of the Income Tax Rules 1962. We

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further notice that the CIT(A) while doing so did not consider the submission of the assessee with regard to his health conditions which was duly supported by the medical certificate. Therefore, we see merit in the submission of the Id. AR that the CIT(A) is not correct in refusing admit additional evidence given the facts supported by evidences as submitted by the assessee. Considering these facts, we are of the view that the assessee should be given one more opportunity in the interest of natural justice and fair play. Accordingly we remit the impugned issues back to the AO for a fresh consideration in the light of the documentary evidences submitted by the assessee. The AO is further directed to call for any further details that may be required to decide the issues in accordance with law. The assessee is directed furnish the details as may be called and cooperate with the assessment proceedings without seeking unnecessary adjournments. It is ordered accordingly.

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

*Order pronounced on 29<sup>th</sup> day of January, 2026 at Chennai.*

Sd/-  
(मनु कुमर गिरि)  
(Manu Kumar Giri)

**न्यायिक सदस्य / Judicial Member**

Sd/-  
(पदमव्रती यस)  
(Padmavathy.S)

**लेखा सदस्य /Accountant Member**

चेन्नई/Chennai, दिनांक/Dated: 29<sup>th</sup> January, 2026.

EDN, Sr. P.S

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF