

IN THE INCOME TAX APPELLATE TRIBUNAL “B” BENCH, MUMBAI

**BEFORE SHRI SAKTIJIT DEY, VP AND
SHRI MAKARAND VASANT MAHADEOKAR, AM**

SA No. 30/Mum/2026
(Arising out of ITA No. 953/Mum/2026)
(Assessment Year: 2022-23)

Blue Fin Frozen Foods Private Limited D-2, Medley House, Chakala MIDC S.O. 16 th Road, MIDC Area, Mumbai-400 093	Vs.	Income Tax Officer-9(2)(1) Mumbai
PAN/GIR No. AADCB 6509 M		
(Applicant)	:	(Respondent)

Applicant by	:	Shri Ravi Sawana, Ms. Neha Sharma and Shri Prativa Agrawal
Respondent by	:	Shri Aanavaran Kosuri (Sr. DR)

Date of Hearing	:	13.02.2026
Date of Pronouncement	:	13.02.2026

ORDER

Captioned application has been filed by the assessee, seeking stay on recovery of outstanding demand of Rs.5,44,89,094/-, pertaining to the Assessment Year 2022-23.

2. Before us, ld. Counsel appearing for the assessee submitted that based on information received from the GST Department that assessee has entered into transactions with entities not registered under GST, the Assessing Officer (A.O. for short) has treated the certain amount of purchases as non-genuine and disallowed 10% of purchases, which is without any rational basis. He submitted, such

disallowance has been sustained by Id. First appellate authority mechanically. He submitted, though the purchases are supported by genuine documentary evidences, however, based on irrelevant considerations, the A.O. has made the disallowance. Thus, he submitted, the assessee has a strong *prima facie* case in its favour. Without prejudice, he submitted, out of the demand raised in the assessment order, the assessee has paid an amount of Rs.1,38,11,486/-, which covers 20% of the demand. Thus, he requested for the stay on the balance demand and also grant early hearing of the appeal.

3. The Id. DR opposed grant of stay.

4. We have considered rival submissions and perused the materials on record. We have gone through the respective orders of the departmental authorities, other materials on record as also the submissions of Id. Counsel for the assessee. It is observed, in course of assessment proceedings, the assessee produced supporting documentary evidences like purchase invoice, delivery challan and ledger account, etc. of the parties from whom purchases were made. The assessee had also produced its regular books of account and bank statements. It appears, the A.O. has suspected the genuineness of the transactions primarily due to non-furnishing of GST registration and PAN of the sellers. Hence, he disallowed 10% of the total purchases. According to the assessee, such disallowance is without any rationale. We find some merit in the aforesaid submission of the assessee. Hence, according to us, the

assessee has made out a strong *prima facie* case in its favour. Further, the assessee having paid 20% of the demand raised, the balance of convenience also lies assessee's favour. Thus, we are inclined to grant stay on recovery of the balance outstanding demand for a period of 180 days from the date of this order or till the disposal of the appeal, whichever is earlier. We further direct the Registry to fix the appeal for hearing on 15.04.2026. Paper books, if any, must be filed by the parties sufficiently prior to the date of hearing of appeal. We make it clear that in the event of any unnecessary adjournment being sought by the assessee, the stay granted is likely to be vacated. We make it clear, the observations made by us in the order in no manner will influence the final outcome of the appeal.

6. In the result, the stay application is allowed as indicated above.

Order pronounced in the open court on 13.02.2026.

Sd/-

(Makarand V. Mahadeokar)
Accountant Member

Mumbai; Dated : 13.02.2026

Roshani, Sr. PS

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. CIT - concerned
4. DR, ITAT, Mumbai
5. Guard File

Sd/-

(Saktijit Dey)
Vice President

BY ORDER,

(Dy./Asstt. Registrar)
ITAT, Mumbai