

**IN THE INCOME-TAX APPELLATE TRIBUNAL, MUMBAI “F” BENCH, MUMBAI  
BEFORE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER AND  
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER  
ITA No. 5985 & 5986/MUM/2025(AY:2021-22 & 2022-23)**

Strides Pharma Science Ltd. Cyber One. Unit No. 902, Plot No. 4&6, Sector 30A, Navi Mumbai-400703.	<b>vs.</b>	Assistant Commissioner of Income Tax, Circle 15(3)(1), Aayakar Bhawan, Maharshi Karve Rd, Marine Lines, MUMBAI-400070.
<b>PAN/GIR No: AAFCV772RJ</b>		
(Appellant)		(Respondent)
<b>Appellant by</b>	Shri Nishit Gandhi/Adnya Bhandari	
<b>Respondent by</b>	Ms. Kavitha Kaushik (SR DR)	
<b>Date of Hearing</b>	28.01.2026	
<b>Date of Pronouncement</b>	24.02.2026	

**ORDER**

**PER BIJAYANANDA PRUSETH, AM:**

These appeals filed by the assessee emanates from the orders passed under section 250 of the Income-tax Act, 1961 (in short, 'Act') by the Commissioner of Income-Tax (Appeals), National Faceless Appeal Centre [in short, 'CIT(A)'], dated 14.08.202 and 19.08.2025 for the assessment year (AY) 2021-21 and 2022-23. ITA No.5985/Mum/2025 for AY 2021-22 is taken as the "lead" case.

2. The grounds of appeal raised by the assessee in ITA No.5985/Mum/2025 are as under:

*"1. The Ld. CIT(A) has erred in law and on facts in sustaining the addition of INR 42,25,523 towards alleged excess purchases, by disregarding the underlying documents/evidence submitted by the Appellant including the reconciliation of purchases with the ledger balances of the respective vendors/creditors as well as with the Appellant's own books of account and*

*ignoring the fact that the purchases were duly recorded in the books of account, supported by the invoices.*

*2. That the Learned National Faceless Appeals Centre ('Ld CIT(A')) has erred in upholding the assessment order 2 ('impugned order') passed under Section 143(3) of the Income-tax Act, 1961 ('the Act') by the Learned National Faceless Assessment Centre ('Ld. NFAC').*

*3. The Ld. CIT(A) has erred in law and on facts in confirming the addition of INR 61,38,806 made by the Ld. NFAC under section 69C of the Act by disregarding the underlying documents/evidence submitted by the Appellant including the reconciliation of purchases with the ledger balances of the 3 respective vendors/creditors as well as with the Appellant's own books of accounts. The Ld. CIT(A) has failed to follow and apply the binding judicial precedents relied upon by the Appellant, which squarely cover the issue in favor of the Appellant, thereby rendering the impugned order contrary to settled principles of law.*

*4. The Ld. CIT(A) has erred in confirming the addition of INR 5,48,30,151 merely on the ground that notices issued under section 133(6) of the Act to the suppliers of the Appellant were not responded to, without considering/appreciating the fact that the Appellant had itself submitted underlying documents/evidence providing 100% confirmation of the creditors balance from the respective creditors along with the reconciliations as required. All such evidence/underlying documents were completely disregarded by the Ld. CIT(A) while passing the impugned order.*

*5. The Ld. NFAC and Ld. CIT(A) has erred in law and facts in 5 initiating penalty proceedings under Section 270A(9) and under section 271AAC of the Act."*

3. The grounds of appeal raised by the assessee in ITA No.5986/Mum/2025 are as under:

*" 1. The Learned National Faceless Appeals Centre ('Ld. CIT(A')) has erred in upholding the assessment order ('impugned order') passed under Section 143(3) of the Income-tax Act, 1961 ('the Act') by the Learned National Faceless Assessment Centre ('Ld. NFAC'). 1.2 The Ld. CIT(A) has failed to provide an opportunity via video conferring to explain the submission as requested by the Appellant in its written submission.*

*2. The Ld. CIT(A) erred in upholding the disallowance of INR 3,39,79,872 without appreciating that the provisions for expenses created in AY 2022-23 were duly reversed in the subsequent year (AY 2023-24), thereby resulting in double taxation for the Appellant. 2.2 The Ld. CIT(A) further erred in confirming the allegation of the Ld.*

*NFAC that the Appellant had inflated OR created fictitious liabilities, without duly appreciating the supporting evidence submitted, including invoices/bills, pay register, agreements, Form 16A, and tax documents substantiating the genuineness/authenticity of the expenses incurred basis which the provision was recorded by the Appellant. The disallowance thus sustained is merely based on presumptions and surmises, and not on objective examination of facts/underlying documents & evidences submitted by the Appellant.*

*3. The Ld. NFAC and Ld. CIT(A) has erred in law and facts in 3 initiating penalty proceedings under Section 270A read with section 274 of the Act.”*

4. Facts of the case in brief are that the assessee filed his return of income for the AY 2021-22 on 11.03.2022 declaring total income at Rs.Nil and for the AY 2022-23 on 18.11.2022 declaring a loss of Rs.(-)26,92,54,051/-. The AO made four additions being (i) Rs.61,38,086/- u/s 69C, (ii) Rs.42,25,523/- towards excess purchase, (iii) Rs.5,48,30,151/- on account of unviable purchases, (iv) Rs.3210/- for late payment and (v) Rs.2,35,26,613/- in respect of unascertained liabilities for purpose of 115 JB of the Act in the assessment order passed u/s 143(3) rws 144B of the Act dated 28.12.2022.

5. Aggrieved by the order of AO, the assessee filed appeal before the CIT(A). The CIT(A) has confirmed the addition of Rs.61,38,086/-, Rs.42,25,523/- and Rs.5,48,30,151/-. However, he has deleted the addition of Rs.2,35,26,613/-. Regarding the addition u/s 69C of the Act and excess purchases, he sustained the addition by observing that the fundamental premise on the basis of which the addition was made has not been rebutted by the appellant with support of

credible and cogent evidences. He also stated that the order is based on the responses of various parties. He also stated that the appellant had relied on various judicial pronouncements but AO made the addition on the basis of enquiry letters and notices u/s 133(6) of the Act. Regarding the creditors, he has upheld the addition of Rs.5,48,30,151/-, being 25% of the unconfirmed creditors. In absence of any contradictory materials filed during appellate proceedings, he confirmed the above three additions made by the AO.

6. Aggrieved by the order of CIT(A), the assessee filed appeal before the Tribunal. The Ld. AR of the assessee has filed paper book including the written submission made before the CIT(A) and AO as well as various details/evidences submitted during the assessment proceedings. He submitted that the assessee had submitted two written submissions vide letter dated 27.09.2023 and 30.09.2024 to the CIT(A). In the said submissions, the appellant had given detailed explanation regarding the additions made by the AO and the reasons as to why such additions are not warranted. The assessee had also relied on various decisions of the Hon'ble Supreme Court, High Courts and Tribunals including the jurisdictional ITAT. However, the CIT(A) has not considered the submission of the assessee and the binding precedents relied upon by the appellant. According to the Ld. AR, the case of the appellant is squarely covered by the decisions relied upon by the appellant. The evidences and documents were totally disregarded by

the CIT(A). He also submitted that the AO has accepted the sundry creditors in the immediately preceding AY 2020-21. He, therefore, requested that the addition may be deleted. In the alternative, the order of CIT(A) may be set aside and the matter may be remanded for fresh decision.

7. On the other hand, the Ld. Sr. DR of the revenue supported the order of the CIT(A). He submitted that the CIT(A) has considered the assessment order and submissions of the assessee before deciding the issue. He has been fair and reasonable in allowing part relief to the assessee by deleting the addition on account of unascertained liabilities of Rs.2,35,26,613/-. Hence, the order of the CIT(A) may be upheld.

8. We have heard both parties and perused the materials on record. We have also deliberated on the decisions relied upon by the Ld. AR of the assessee. We find that the assessee had filed written submissions before the AO as well as CIT(A) and had furnished various details before them. We find that in the preceding AY 2020-21, the AO had added Rs.18,52,34,424/- on account of creditors u/s 68 of the Act. The order was quashed and set aside by the Hon'ble Bombay High Court in WP No.2293 of 2023 dated 07.10.2023. In the fresh order on 22.11.2023, the assessee submitted reconsideration of creditors confirmation, additional creditors confirmation, copy of the invoices and ledgers etc. Thereafter, the AO passed the order without making any addition. Therefore, similar issue on sundry creditors has been considered favourably by AO in the preceding AY. We

further find that the CIT(A) has confirmed the impugned three additions by non-speaking order disregarding the submissions and details filed by the appellant. He has not at all discussed the detailed submission made by the appellant in the appellate order. The appellant had also relied upon various decisions for the Hon'ble Supreme Court, High Court and jurisdictional ITAT. They have not at all been discussed in the appellate order and distinguished on the facts and circumstances of the present case. The Ld. AR submitted that the impugned issues are squarely covered by the binding decisions relied upon by the appellant. Since the CIT(A) has not considered the submissions and details filed by the appellant and the decisions relied upon by the appellant, in the interest of justice, we deem it proper to set aside the order of CIT(A) and restore the matter back to his file for fresh adjudication in accordance with law after considering the submission made by the appellant before him. The CIT(A) may call for other details, if he so desires, to decide the matter on merit. The appellant may also file further details in support of the grounds raised in the appeal. Accordingly, the grounds are allowed for statistical purpose.

9. In the result, the appeal of the assessee is allowed for statistical purpose.

**ITA No.5986/Mum/2025 (AY: 2022-23)**

10. In this case also, the CIT(A) dismissed the appeal of the assessee by not considering the submissions and documents/evidence submitted by the appellant. The appellant has filed paper book giving details of the written

submission made before CIT(A) vide letters dated 12.05.2025 and 27.07.2025.

Even the decisions relied upon by the appellant have not at all been discussed in the appellate order to arrive at a finding that they are not applicable to the facts of the impugned appeal. Therefore, following the reasons given in ITA No.5985/Mum/2025 (supra), the order of CIT(A) is set aside and the matter is remanded to him for fresh adjudication in accordance with law after granting fair and reasonable opportunity of hearing to the assessee.

11. In the result, the appeal of the assessee is allowed for statistical purpose.

12. In combined result, both appeals are allowed for statistical purpose.

Order is pronounced on 24.02.2026.

**Sd/-**  
**(SANDEEP GOSAIN)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(BIJYANANDA PRUSETH)**  
**ACCOUNTANT MEMBER**

\*Aniket Chand; Sr. PS  
MUMBAI

Date: 24.02.2026

**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