

**IN THE INCOME-TAX APPELLATE TRIBUNAL, MUMBAI “K (SMC)” BENCH, MUMBAI
BEFORE SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER AND
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER
ITA No. 8789/MUM/2025(AY:2019-20)**

Maruti Enterprises, Shop no B-14, Navrang Apartments, Kalyan Murbad Road, Kalyan, Kalyan-Dombivali- 421301.	vs.	Income Tax Officer, Ward 3(2), Rani Mansion, Murbad Road, Kalyan, Kalyan- Dombivali-421301.
PAN/GIR No: AAUFM1360M		
(Appellant)		(Respondent)
Appellant by		Mr. Sanjay Panjabi
Respondent by		Shri Bhagirath Ramawat (SR DR)
Date of Hearing		19.02.2026
Date of Pronouncement		12.03.2026

ORDER

PER BIJAYANANDA PRUSETH, AM:

This appeal filed by the assessee emanates from the order 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 06.10.2025 for the assessment year (AY) 2019-20.

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

- “1. The learned CIT(A) erred in confirming addition of Rs. 41,34,000 u/s 68 treating genuine business receipts from sundry debtors as unexplained cash credit.*
- 2. The learned CIT(A) erred in confirming disallowance of Rs. 2 76,965 u/s 40(a)(ia) despite the transporter having furnished PAN and declaration.*
- 3. The learned CIT(A) erred in passing the order without properly 3 appreciating facts and evidence, violating principle of natural justice*
- 4. The appellant craves leave to add, amend OR alter grounds at the time of hearing.”*

3. Facts of the case in brief are that the assessee had not filed his return of income for the AY 2019-20 though it had entered into financial transactions of Rs.4,40,86,650/-. Thereafter, the case was reopened u/s 147 and notice u/s 148 of the Act was issued. In response thereto, the assessee filed return of income declaring total income of Rs.48,360/-. After hearing the assessee, the AO made addition of Rs.41,34,000/- u/s 68 towards unexplained sundry debtors because the assessee could not satisfactorily explain the issue with supporting evidence. He also added Rs.76,965/- u/s 40(a)(ia) of the Act.

4. Aggrieved by the order of AO, the assessee filed the appeal before the CIT(A). The CIT(A) has reproduced the facts of the case, grounds of appeal and submission of the assessee. After observing the findings of the AO, he upheld the addition of the AO by observing that assessee failed to provide plausible explanation supported by documentary evidences. He has also upheld the disallowance u/s 40(a)(ia) of the Act.

5. Aggrieved by the order of CIT(A), the assessee has filed appeal before the Tribunal. The appellant has filed a paper book enclosing copy of ITR and financials for AY 2018-19 (FY 2017-18), summary chart of sale bills corresponding to sundry debtors (Bill No., date, party name, amount), copies of sale bills and copies of PAN of debtors which could be obtained. These documents have not been filed before the lower authorities and hence, they would constitute additional evidence within the meaning of Rule 29 of Income Tax Appellate Rules, 1963. The appellant

submitted that the AO made addition of sundry debtors of Rs.41,34,000/- u/s 68 of the Act due to non-submission of the above details and evidences. The Ld. AR submitted that these evidences were not deliberately withheld but could not be filed due to insufficient opportunity. He submitted that the Tribunal is empowered under Rule 29 of the ITAT Rules, 1963 to admit additional evidence where it is necessary to render substantial justice. The Ld. AR requested to admit the additional evidence in the interest of justice.

6. The Ld. Sr. DR. of revenue objected the admission of the additional evidence. He, however, submitted that the bench may decide the issue as it thinks fit.

6.1 We have heard both sides and perused the material on record. There is no dispute that the appellant had not filed return of income u/s 139 of the Act and subsequently filed the return in response to notice u/s 148 of the Act. The appellant had not furnished complete details of the debtors including their PANs and other evidences to escape the mischief of section 68 of the Act. The appellant submitted that the assessee was required to furnish all details in a very short time due to which complete details could not be given. He submitted that the CIT(A) has mechanically upheld the order of AO. He requested to admit the additional evidence in the interest of justice. Rule 29 of the Income-tax Appellate Tribunal Rules, 1963 permits the ITAT to admit additional evidence for any substantial cause. The intention behind the Rule is that substantial justice should be done

and the interest of justice should be the overriding consideration. After considering the facts of the case and the submissions made before us, we admit the additional evidence in the interest of justice.

7. On merits of the case, the Ld. AR of the assessee submitted that the ITR and financials of AY 2018-19, copies of PAN of debtors, copies of sale bills and details of sundry debtors etc., now submitted as additional evidence, would explain the additions made by the AO u/s 68 of the Act. Since we have already admitted the additional evidence, which were not before the lower authorities, 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 granting adequate and reasonable opportunity of hearing to the assessee. The CIT(A) shall consider the additional evidence and he may call for further explanation and details as deemed necessary. The appellant is directed to furnish all the details and evidences as may be required by the CIT(A) by not seeking adjournment without valid reason. Accordingly, the ground is allowed for statistical purpose.

8. Since we have set aside the order of CIT(A) and restored the matter for fresh adjudication, the other grounds raised by the appellant become academic in nature and do not require adjudication.

9. We have not expressed our opinion on the merits of the case, which the CIT(A) shall decide independently as per law on appreciation of the facts of the case and the law on the subject issue.

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

Order is pronounced on 12.03.2026.

Sd/-
(RAHUL CHAUDHARY)
JUDICIAL MEMBER

Sd/-
(BIJYANANDA PRUSETH)
ACCOUNTANT MEMBER

*Aniket Chand; Sr. PS
MUMBAI

Date: 12.03.2026

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