

IN THE INCOME TAX APPELLATE TRIBUNAL
"A" BENCH, MUMBAI
BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER
AND
SHRI JAGADISH, ACCOUNTANT MEMBER

ITA No. 7881/Mum/2025
Assessment Year: 2018-19

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ITA No. 7969/Mum/2025
Assessment Year: 2018-19

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ITA No. 8456/Mum/2025
Assessment Year: 2018-19

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ITA No. 8457/Mum/2025
Assessment Year: 2018-19

DCIT 27(1), Mumbai O/s DCIT-27(1), Mumbai, Room No.408, Tower No-6, Vashi Railway Station complex, Vashi, Navi Mumbai-400703	Vs	Anil Ramchandran 102/103, Shree Ambika Heritage Sector 1, Plot No.01, Navi Mumbai, Kharghar, S.O Kharghar Raigarh(MH), Navi Mumbai-410210 PAN: AEMPR8469Q
(Appellant)		(Respondent)

Assessee by	Shri Devendra Jain
Department by	Shri Rajesh Kumar Yadav (CIT-DR) Surendra Mohan (SR. DR)

Date of Hearing	26.02.2026
Date of Pronouncement	27.02.2026

ORDER

Per Bench:

1. The appeal filed by the Revenue in ITA No.7881/Mum/2025 is directed against the order dated 24.09.2025 passed by the Ld. Commissioner of Income Tax (Appeals), NFAC, for A.Y. 2018–19, whereby the additions made in the assessment framed under section 143(3) r.w.s. 144B has been deleted. The appeal of Revenue in ITA No.7969/Mum/2025, relates to the consequential penalty appeal. Since both the appeals arise out of the same assessment proceedings and involve interconnected issues, they are disposed of by this consolidated order.
2. The Revenue has raised grounds challenging the deletion of addition of ₹4,92,98,807/- made on account of difference in figures of purchases and sales reported in GST returns and Income Tax Return.
3. The brief facts are that the assessee is engaged in the business of trading in medical instruments. The assessment was completed determining total income at ₹6,23,63,810/- as against returned income of ₹99,74,070/-. The Assessing Officer noticed differences between purchases reflected in the Profit & Loss Account and figures gathered during assessment proceedings, and also differences between turnover as per books and GSTR-1 data. On that basis, he made addition of ₹4,92,98,807/- towards alleged unaccounted purchases and further estimated profit at 10.75% on alleged suppressed turnover amounting to ₹30,90,937/-.

4. In appeal, the Ld. CIT(A) examined the reconciliation statements furnished by the assessee and deleted both the additions, as recorded in para 5.1 and 5.2 of the appellate order. Aggrieved, the Revenue is in appeal before us.
5. The Ld. Departmental Representative strongly relied upon the assessment order. It was submitted that the discrepancies were clearly borne out from the assessee's own submissions and GST data. According to the Ld. DR, the additions were not based on third-party information but on figures furnished by the assessee himself. The Ld. DR further submitted that the Ld. CIT(A) accepted reconciliation statements which were not properly examined by the Assessing Officer and that such acceptance amounted to admission of additional evidence without giving proper opportunity to the Assessing Officer.
6. Per contra, the Ld. Authorised Representative supported the order of the Ld. CIT(A). He submitted that the alleged difference in purchases arose on account of comparison of gross figures including GST and other statutory components with net figures in the Profit & Loss Account. Similarly, the alleged turnover difference arose due to inclusion of exports, B2B, B2C, CDNR transactions and GST components in GSTR data. It was submitted that detailed reconciliation was furnished explaining each item and no defect in books of account was pointed out by the Assessing Officer. The books were audited and produced during assessment proceedings. It was further contended that the A.O has not conducted any independent enquiry before making the additions. Even before us,

the Ld. AR reiterated the reconciliation explaining the differences in purchases and sales.

7. We have heard the rival submissions and perused the material on record. The Assessing Officer made additions primarily on the basis of mismatch between figures without conducting detailed verification or pointing out specific defects in the books. The Ld. CIT(A), after considering the reconciliation furnished by the assessee, recorded a finding that the differences arose due to gross versus net presentation and inclusion of GST and statutory levies. The Ld. CIT(A) also observed that no enquiry was conducted by the Assessing Officer to verify the reconciliation.
8. Before us, the Revenue has not been able to demonstrate that the reconciliation accepted by the Ld. CIT(A) is factually incorrect or that the findings recorded are perverse. The additions are essentially founded on arithmetical comparison without establishing that the purchases were unaccounted or that the turnover was suppressed. In the absence of rejection of books and in the absence of specific defects, estimation of profit cannot be sustained. We do not find any infirmity in the order of the Ld. CIT(A) in deleting the addition of ₹4,92,98,807/- and ₹30,90,937/-.
9. Accordingly, the grounds raised by the Revenue in the quantum appeal are dismissed.
10. As regards the penalty appeal, the penalty under section 270A was initiated on the basis of the additions made in the assessment order. Since the quantum additions themselves have been deleted and we have upheld the order of the Ld. CIT(A) in this regard, the

very foundation of the penalty does not survive. It is well settled that when the quantum addition is deleted, the penalty levied on such addition cannot stand independently. Therefore, the penalty appeal filed by the Revenue is also dismissed.

11. In the result, both the appeals of the Revenue are **dismissed**.

ITA No. 8456/Mum/2025 & ITA No.8457/Mum/2025

12. At the time of hearing, it was noticed that these two appeals filed by the Revenue arises from the same impugned order of the learned CIT(A), pertains to the same assessment year, and involves identical grounds as already raised in ITA No.7881/Mum/2025 & ITA No.7969/Mum/2025 respectively, which have already been adjudicated above.

13. The learned Departmental Representative fairly submitted that these two appeals appear to have been filed inadvertently due to procedural duplication and that the substantive appeals of the Revenue filed under ITA No.7881/Mum/2025 & ITA No.7969/Mum/2025 have already been heard.

14. The learned counsel for the assessee also confirmed the duplication and submitted that the present appeals may be dismissed as not maintainable.

15. Since the issues raised in the present appeals are already the subject matter of ITA No.7881/Mum/2025 & ITA No.7969/Mum/2025 respectively, and have been adjudicated above, the present appeals do not survive for consideration.

16. We, therefore, hold that these two appeals filed by the Revenue are duplicate appeals and are not maintainable. Accordingly, the same are dismissed as such.

17. In the result, these two appeals filed by the Revenue are **dismissed as duplicate.**

Order pronounced in the open court on 27/02/2026

Sd/-

(NARENDER KUMAR CHOUDHRY)
Judicial Member

Sd/-

(JAGADISH)
Accountant Member

Mumbai, Dated: 27/02/2026

Ashwani Rao

Sr. Private Secretary

Copy of the order forwarded to:

1. Appellant
2. Respondent
3. The CIT
4. The CIT (Appeals)
5. The DR, I.T.A.T.

By order

(Assistant Registrar)
ITAT, Mumbai