आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई

IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH, CHENNAI

श्री जॉर्ज जॉर्ज के, उपाध्यक्ष एवं श्री एस.आर.रघुनाथा, लेखा सदस्य के समक्ष

BEFORE SHRI GEORGE GEORGE K, VICE PRESIDENT AND
SHRI S.R. RAGHUNATHA, ACCOUNTANT MEMBER

आयकर अपील सं./**ITA Nos.:1801 to 1805/Chny/2025 &**
1806 to 1810/Chny/2025
निर्धारण वर्ष / **Assessment Years: 2017-18 to 2021 -22 &**
2017-18 to 2021-22

Chungath Varghese Sunny, 275-276, Cross Cut Road, Gandhipuram, Coimbatore – 641 012.	vs.	**DCIT,** Central Circle -3(3), Chennai.
[PAN:AGEPS-1475-K] (अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri. S. Sridhar, Advocate (Erode)

प्रत्यर्थी की ओर से/Respondent by : Shri. Shiva Srinivas, CIT

सुनवाई की तारीख/Date of Hearing : 17.09.2025

घोषणा की तारीख/Date of Pronouncement : 28.10.2025

आदेश /O R D E R

PER BENCH:

These ten appeals of the assessee are directed against the different orders of the Learned Commissioner of Income Tax (Appeals), Chennai – 20 [hereinafter referred to as the "ld.CIT(A)"] arising out of the orders passed by the Deputy Commissioner of Income Tax, Central Circle – 3(3), Chennai [hereinafter referred to as the "AO"], u/s.153C r.w.s 143(3)/143(3)/270A of the Income-tax Act, 1961

[hereinafter referred to as the “Act”] for the Assessment Years (“AY/AYs”) 2017-18 to 2021-22. These appeals bearing ITA Nos.1801 to 1805/Chny/2025 pertain to the assessment orders passed u/s.153C r.w.s. 143(3)/143(3) of the Act, whereas the appeals bearing ITA Nos.1806 to 1810/Chny/2025 pertain to the penalty orders passed u/s.270A of the Act.

2. Since the issues involved in all the five assessment years under consideration are identical in nature and the arguments advanced by both the parties are common, all these appeals were heard together and are being disposed of by this consolidated order for the sake of convenience and brevity. We shall first address the quantum assessments.

ITA Nos.1801 to 1805/ Chny / 2025

3. The brief facts of the case are that the assessee, an individual, is engaged in the business of retail sale of gold jewellery under the proprietorship concern M/s.Pavizham Jewellers. A search and seizure operation u/s.132 of the Act was carried out on 10.11.2020 in the case of M/s.Mohanlal Jewellers Pvt. Ltd (hereinafter referred to as "MJPL") and its connected group concerns.

4. During the course of the said search proceedings, it was noticed that the MJPL group was using a customized software named “J-Pack” for maintaining records of both accounted and unaccounted transactions relating to gold and cash. The said software was found installed on a desktop computer, which was seized vide Annexure No.ANN/VD/RK/ED/S. In addition, certain pen drives containing J-Pack data were

found and seized from the residence of Shri Rajendra Kothari, who was functioning as an accountant in MJPL, vide Annexure ANN/PV/RK/ED/S.

5. In his statement recorded on 10.11.2020 u/s.132(4) of the Act, Shri Rajendra Kothari admitted that he had been using the aforesaid desktop and pen drives for entering data in the J-Pack software based on the details provided by Shri Suresh Khatri and Shri Kishore Khatri (the latter being a relative and employee of Shri Suresh Khatri). He further deposed that the pen drives contained accounting data pertaining to Financial Years 2016-17 to 2019-20, and that the data for the Financial Year 2020-21 was stored in a red Sandisk pen drive in the possession of Shri Kishore Khatri, which was also seized vide Annexure ANN/VSP/KK/ED/S.

6. When confronted with the aforesaid facts, Shri Suresh Khatri, in his statement recorded on 11.11.2020 u/s.132(4) of the Act, admitted that the J-Pack software was utilized for tracking all accounted as well as unaccounted transactions of the MJPL group. He also stated that several entries appearing in the J-Pack data were not reflected in the regular books of accounts of MJPL.

7. On examination of the seized J-Pack data, it was observed that numerous ledgers were maintained in respect of transactions between MJPL and various parties. Among these, a ledger titled “PAVIZHAM CBE” was identified. In his statement recorded u/s.131 of the Act on 30.11.2020, Shri Rajendra Kothari identified the said ledger as pertaining to M/s.Pavizham Jewellers, Coimbatore.

8. In view of the above findings, notices u/s.153C of the Act were issued to the assessee for AYs.2017-18 to 2020-21. For AY.2021-22, the case was selected for scrutiny, and a notice u/s.143(2) of the Act was issued accordingly.

9. During the course of the search in the case of MJPL, various loose sheets and incriminating documents pertaining to the assessee were found and seized vide Annexures ANN/KN/DS/LS/S, ANN/VSP/KK/LS-S and ANN/BB/SK/LS/S. Pursuant to the said seizure, enquiries u/s.131 of the Act were conducted on 11.11.2020 with the assessee and his son, Shri Lizo Chungath. In their respective statements, they admitted that the assessee had made unaccounted purchases of gold from MJPL.

10. Further, in his sworn statement recorded on 11.11.2020, Shri Suresh Khatri was confronted with the seized materials and was specifically questioned regarding the unaccounted sales made by MJPL to the assessee. He categorically admitted that unaccounted sales had been effected to the assessee and confirmed the outstanding balances in the books of MJPL with reference to the assessee.

11. Based on the aforesaid evidences and statements, the AO concluded that the assessee had made unaccounted purchases from MJPL during AYs.2017-18 to 2021-22. The AO, accordingly, quantified the amount of unaccounted purchases for each of the relevant assessment years and estimated the corresponding business income by applying the Gross Profit (G.P.) rate of the respective years. Consequently, additions were made to the total income of the assessee for AYs.2017-18 to 2021-22 on account of such estimated unaccounted business income as follows: -

AY	Gross weight in grams	Net weight in grams	Amount paid (Rs.)	GP ratio adopted by the AO	Addition made by the AO (Rs.)
2017-18	25,832.76	27,238.55	8,08,51,487	9.26%	74,88,876
2018-19	23,075.26	21,948.92	6,59,68,361	6.33%	41,77,350
2019-20	6,995.08	6,710.87	2,15,18,297	5.50%	11,82,873
2020-21	22,558.52	21,582.48	8,17,38,567	5.70%	46,58,920
2021-22	4,850.65	4,606.78	2,18,88,462	7.30%	15,98,937

12. Aggrieved of the above additions made by the AO, assessee carried the matter in appeal before the ld.CIT(A).

13. During the course of appellate proceedings before the ld.CIT(A), the assessee contended that the addition on account of unaccounted purchases ought to have been computed by applying the Net Profit Ratio, as against the Gross Profit Ratio adopted by the AO. The ld.CIT(A), however, did not find merit in the submission of the assessee and upheld the action of the AO in applying the Gross Profit Ratio on the quantum of unaccounted purchases determined for the respective assessment years. Accordingly, the appeals of the assessee for the AYs 2017-18 to 2021-22 were dismissed by the ld.CIT(A).

14. Aggrieved, the assessee is in appeal before us for all the five assessment years.

15. The ld.AR appearing on behalf of the assessee submitted that the AO erred in applying the Gross Profit ratio to the unaccounted purchases determined during the course of assessment. The ld.AR contended that, in the facts and circumstances of the present case, it would be just and proper to adopt the Net Profit ratio instead of

the Gross Profit ratio for estimating the income relatable to such unaccounted purchases.

16. In support of this contention, the ld.AR placed reliance on the decision of the Coordinate Bench of this Tribunal in the case of Gold AIK v. ITO [ITA Nos. 1046 to 1051/Chny/2024], wherein, on identical facts, the Tribunal had estimated the profit at 2% of the unaccounted purchases. Accordingly, the ld.AR prayed that the same approach be followed in the present case and that the NP ratio be adopted in place of the GP ratio as applied by the AO.

17. Per contra, the ld.DR supported the findings rendered by the ld.CIT(A) and vehemently contended that the same calls for no interference.

18. We have heard the rival contentions and perused the material available on record. We observe that the assessee is engaged in the retail sale of gold jewellery under the name and style of M/s.Pavizham Jewellers. During the course of search conducted at the premises of MJPL, certain loose sheets were seized, indicating unaccounted purchases made by the assessee.

19. On the basis of the data maintained in the J-Pack software, the AO quantified the unaccounted purchases for the relevant assessment years. Subsequently, the AO applied the Gross Profit Ratio of the respective assessment year on such unaccounted purchases to determine the business income of the assessee for each of the impugned assessment years.

20. The assessee contended that any addition in respect of unaccounted purchases ought to be made by adopting the Net Profit Ratio, rather than the Gross Profit Ratio. This contention was, however, rejected by the ld.CIT(A).

21. Accordingly, the sole issue for our consideration is the determination of reasonable profit attributable to the unaccounted purchases, as estimated by the AO during the assessment proceedings, based on the material unearthed during the search of MJPL.

22. We find that a similar issue on identical facts have come up for consideration before the Coordinate Bench of this Tribunal in Gold AIK v. ITO [ITA Nos. 1046 to 1051/Chny/2024], wherein this Tribunal has estimated a Profit Ratio of 2% on the unaccounted purchases made from MJPL. The relevant portion of the decision is extracted below: -

> *"9. We have heard rival contentions on both the issues, which are intertwined. We noted that the CIT(A) has also restricted addition to the extent of gross profit on unaccounted sales arising out of unaccounted purchases made from MJPL and gross profit is to be adopted is gross profit as admitted by assessee on gold sales made in the return originally filed by it for the relevant assessment years. We noted from the above chart reproduced at para 5 above, wherein the gross profit declared varies from 8.49% to 14.04% and net profit ranges from 0.34% to 1.15%. We have observed from the findings of the AO and that of the CIT(A) and noted that there are three types of transactions recorded in seized document 'Amanullah KDR' ledger account found in J-Pack software found in the premises of MJPL during search. In these accounts, there are three types of transactions i.e., transactions in regular course recorded in the regular books of accounts as payment made through banking channel i.e., RTGS, etc., second transaction is exchange of old gold and third cash purchases on which the CIT(A) has directed gross profit on unaccounted sales on unaccounted purchases made through MJPL. We are of the view that a reasonable profit rate should be estimated and if the gross profit rate is to be added that can be added at the rate of 2%, going by the nature of business of the assessee and similar line of business only on the unaccounted part or payment made in cash for which cash was utilized for making purchases and consequent sale of MJPL. Hence, we are of the view that a reasonable estimate of gross profit of 2% will meet the ends of justice*

for both sides i.e., for the Department as well as for the assessee for all these six assessment years for unaccounted purchases only of gold from MJPL not recorded in the regular books of accounts. Hence, we direct the AO to apply gross profit rate of 2% on cash payment made for unaccounted purchases of gold from MJPL for these relevant six assessment years and not on recorded purchases. The assessee will file complete detail of purchases made in cash payment and purchases made through banking channel i.e., RTGS etc., before the AO and the AO will accordingly apply profit rate only on unaccounted purchases made through cash payments of gold through MJPL as recorded in the seized document 'Amanullah KDR' i.e., ledger account find in J-Pack software. Hence, in view of the above direction for computation of income, the matter is restored back to the file of the AO for applying profit rate of 2% only on unaccounted cash payments made to MJPL."

23. We note from the material on record, the assessee's Gross Profit Ratio during the relevant period fluctuates between 5.50% and 9.26%, whereas the Net Profit Ratio ranges from 0.30% to 0.64%. These figures clearly indicate that the assessee operates on net profit of less than 1%.

24. In the light of the above, and having regard to the peculiar facts and circumstances of the case and respectfully following the ratio laid down by the Coordinate Bench of this Tribunal in Gold AIK v. ITO case (supra), wherein it was held that, in cases of this nature, a reasonable estimate of profit margin may be adopted by the Revenue for the purpose of computation.

25. Applying the principle laid down therein to the present case, we are of the considered opinion that an estimated profit margin of 2% would be just and reasonable for the purpose of determining the net profit arising from unaccounted purchases quantified by the AO. Consequently, the AO is hereby directed to restrict the addition by applying a profit margin of 2% on the quantum of unaccounted purchases for each of the AYs. 2017-18 to 2021-22.

26. In view of the foregoing discussion, the grounds of appeal raised by the assessee in ITA Nos. 1801 to 1805/Chny/2025 for the assessment years 2017-18 to 2021-22 are allowed.

ITA Nos. 1806 to 1810/Chny/2025

27. These appeals filed by the assessee are directed against the orders of the ld.CIT(A), wherein the ld.CIT(A) has confirmed the imposition of penalty by the AO u/s.270A of the Act, for the AYs. 2017-18 to 2021-22.

28. With the consent of both parties, A.Y.2017-18 is taken up as the lead case, as the facts and issues involved are identical across all the assessment years under consideration. The findings, reasoning, and adjudication rendered in respect of A.Y.2017-18 in ITA No.1806/Chny/2025 shall apply mutatis mutandis to the AYs 2018-19 to 2021-22.

29. The brief facts are consequent to the completion of the quantum assessment as detailed above, the AO initiated penalty proceedings u/s.270A of the Act by issuing a show cause notice dated 28.03.2023, proposing levy of penalty for under-reporting of income in consequence of misreporting. The AO observed that the assessee had not recorded gross profit of Rs.74,88,876/- arising from the sale of unaccounted purchases of gold amounting to 28,532.76 grams in the return of income filed for A.Y.2017-18. In the opinion of the AO, the facts of the case attracted the provisions of section 270A(9)(e) of the Act, as the assessee failed to record such receipts in its books of account.

30. In view of the above, the AO, vide order dated 21.09.2023, levied penalty of Rs.26,61,172/- for the A.Y.2017-18 u/s.270A(9)(e) of the Act for under-reporting of income in consequence of misreporting.

31. Aggrieved of the above penalty order, assessee preferred appeal before the ld.CIT(A) who vide order dated 26.05.2025 confirmed the action of the AO in levying penalty u/s.270A of the Act.

32. Aggrieved further, the assessee is in appeal before us.

33. The ld.AR appearing on behalf of the assessee submitted, inter alia, that the show-cause notice issued u/s.274 r.w.s 270A of the Act, dated 28.03.2023, does not specifically indicate the particular limb of Section 270A(9) under which the penalty is proposed to be levied. According to the ld.AR, such deficiency renders the notice defective and, consequently, vitiates the penalty order passed by the AO u/s.270A of the Act. The ld. AR further contended that since the addition in question was made on an estimation of the Gross Profit ratio, no penalty u/s.270A of the Act can be justified. In view of the foregoing submissions, the ld.AR prayed that this Tribunal may be pleased to set aside the impugned order of the ld.CIT(A) and delete the penalty levied by the AO u/s.270A of the Act.

34. Per contra, the ld.DR supported the findings rendered by the ld.CIT(A) and vehemently contended that the same calls for no interference.

35. We have heard the rival contentions and perused the material on record. We find that the AO levied penalty u/s.270A(9)(e) of the Act holding that the gross profit as estimated is on unaccounted purchases by the assessee. At the outset, the ld.AR raised a legal issue on the ground that the penalty order passed by the AO is vitiated, in view of defective show cause notice issued by the AO without specifying the specific limb of section 270A(9) of the Act under which the penalty was proposed.

36. We find that the AO has issued a show cause notice u/s.274 r.w.s 270A of the Act on 28.03.2023, which is extracted below for ready reference: -

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT

Faceless Assessment: India

To, CHUNGATH VARGHESE SUNNY 275-276 275-276 , CROSS CUT ROAD GANDHIPURAM 641012, Tamil Nadu India	

PAN: **AGEPS1475K**	Assessment Year: **2017-18**	DIN & Notice No.: **ITBA/PNL/S/270A/2022-23/1051443411(1)**	Date : **28/03/2023**

Notice under section 274 read with section 270A of the Income Tax Act, 1961

Sir/ Madam,

Whereas in the course of proceedings before me for the Assessment Year **2017-18**, it appears to me **Under-reporting of income in consequence of misreporting**

You are hereby requested to appear before me either personally or through a duly authorised representative at **11:41 AM** on **21/04/2023** and show cause why an order imposing a penalty on you should not be made under section **270A** of the Income Tax Act, 1961.

If you do not wish to avail yourself of this opportunity of being heard in person or through authorised representative, you may show cause in writing on or before the said date which will be considered before any such order is made under section **270A** of the Income Tax Act, 1961.

37. On a careful perusal of the show-cause notice issued by the AO, it is apparent that the notice suffers from a fundamental infirmity inasmuch as it is vague, uncertain,

and devoid of the requisite particulars. The penalty has been proposed u/s.270A of the Act, on the ground of 'underreporting of income in consequence of misreporting of income' as envisaged under sub-section (9) of section 270A of the Act. It is well-settled law that, in cases where a statute contemplates the imposition of a penal liability, the person against whom such liability is sought to be imposed must be informed with clarity and precision as to the exact nature of the allegation. The show-cause notice constitutes the very foundation of penalty proceedings, and the Assessing Officer is duty-bound to articulate, with specificity, the precise charge alleged against the assessee, so that the assessee is afforded a reasonable opportunity to effectively meet and rebut the same. A notice that is vague or merely reproduces the language of the statute without specifying the particular default committed cannot, in law, be sustained.

38. We note that a similar issue had come up for consideration before this Tribunal in DCIT v. Ethirajulu Vajravel Kumaran in ITA Nos.1651 to 1654/Chny/2025, wherein this Tribunal has held as under: -

> *"70. In the present case, the impugned notice does not delineate which particular limb or clause of section 270A(9) of the Act is attracted. Sub-section (9) of section 270A of the Act enumerates various instances that amount to "misreporting of income," such as misrepresentation or suppression of facts, failure to record investments, recording of false entries, or claim of expenditure not substantiated, etc. Each of these instances constitutes a distinct and independent ground, carrying serious penal consequences. It was incumbent upon the AO to state in clear and unambiguous terms which of these specific defaults was being attributed to the assessee, along with the manner in which the ingredients of the alleged default stood satisfied in the facts of the case. The failure to so specify renders the notice fundamentally defective. It deprives the assessee of a fair and reasonable opportunity to defend himself, thereby vitiating the entire penalty proceedings. The requirement of issuing a valid and precise notice is not a mere procedural formality but goes to the very root of jurisdiction for levy of penalty. A defective notice cannot confer valid jurisdiction upon the AO to impose penalty.*

71. We find that the Hon'ble Delhi High Court in the case of Prem Brothers Infrastructure LLP v. NFAC & Anr in W.P.(C) 7092/2022 dated 31.05.2022 has observed as under:-

> *"8. This Court also finds that there is not even a whisper as to which limb of Section 270A of the Act is attracted and how the ingredient of sub section (9) of Section 270A is satisfied. In the absence of such particulars, the mere reference to the word "misreporting" by the Respondents in the penalty order to deny immunity from imposition of penalty and prosecution makes the impugned order manifestly arbitrary.*
>
> *9. Consequently, the impugned penalty order dated 28th March, 2022 passed by Respondent No.1 under Section 270A of the Act is quashed and Respondent No.1 is directed to grant immunity under Section 270AA of the Act to the Petitioner."*

72. Further, the Hon'ble Delhi High Court in Schneider Electric South East Asia (HQ) PTE Ltd. Vs. ACIT, International Taxation Circle 3(1)(2), New Delhi and Ors. W.P.(C) No. 5111/2022 vide judgment dated 28.03.2022 observed as under:-

> *"6. Having perused the impugned order dated 9th March, 2022, this Court is of the view that the Respondents' action of denying the benefit of immunity on the ground that the penalty was initiated under Section 270A of the Act for misreporting of income is not only erroneous but also arbitrary and bereft of any reason as in the penalty notice the Respondents have failed to specify the limb - "underreporting" or "misreporting" of income, under which the penalty proceedings had been initiated.*
>
> *7. This Court also finds that there is not even a whisper as to which limb of Section 270A of the Act is attracted and how the ingredient of sub-section (9) of Section 270A is satisfied. In the absence of such particulars, the mere reference to the word "misreporting" by the Respondents in the assessment order to deny immunity from imposition of penalty and prosecution makes the impugned order manifestly arbitrary.*
>
> *8. This Court is of the opinion that the entire edifice of the assessment order framed by Respondent No.1 was actually voluntary computation of income filed by the Petitioner to buy peace and avoid litigation, which fact has been duly noted and accepted in the assessment order as well and consequently, there is no question of any misreporting.*
>
> *9. This Court is further of the view that the impugned action of Respondent No.1 is contrary to the avowed Legislative intent of Section 270AA of the Act to encourage/incentivize a taxpayer to (i) fast-track settlement of issue, (ii) recover tax demand; and (iii) reduce protracted litigation.*
>
> *10. Consequently, the impugned order dated 09th March, 2022 passed by Respondent No.1 under Section 270AA (4) of the Act*

> *is set aside and Respondent No.1 is directed to grant immunity under Section 270AA of the Act to the Petitioner."*

73. We find that the similar issue had come up for consideration before the co-ordinate bench of this Tribunal in Prakashchand Jain v. DCIT in ITA No.68/Chny/2024 dated 07.03.2025, wherein following the another decision of the co-ordinate bench of this Tribunal in Enrica Enterprises Pvt. Ltd. in ITA Nos.1166 & 1167/Chny/2023 dated 06.06.2024, it was held as under:-

> *"9. According to us, the assessee should be informed in the show-cause notice with certainty and accuracy of the exact nature of the fault alleged against him. In this case, it has been noted that the impugned notice issued by the Assessing Officer is silent about which limb/clause of sub section (9) of section 270A of the Act has been attracted in the facts of the case so as to deserve levy of penalty, and how the ingredients of sub section (9) of section 270A are satisfied. Therefore, the show-cause notice proposing penalty is found to be vague and does not meet the requirement of law to legally impose penalty. Consequently, the levy of penalty is fragile in the eyes of law and is held to be ab initio bad in law."*

74. Respectfully following the precedent laid down by the Hon'ble Delhi High Court in Prem Brothers Infrastructure LLP v. PCIT and Schneider Electric South East Asia (HQ) PTE Ltd v. DCIT, as well as the coordinate bench decisions of this Tribunal in Prakashchand Jain v. ACIT and Enrica Enterprises Pvt. Ltd. v. ACIT, we are of the considered view that the show cause notice dated 15.09.2022 issued by the AO u/s.274 r.w.s 270A of the Act, is ex facie vague and suffers from a fundamental infirmity in law inasmuch as it fails to clearly and specifically delineate the precise charge for which penalty proceedings were initiated. A notice which does not indicate the specific limb or ground under which penalty is proposed to be levied is not only violative of the principles of natural justice but also renders the entire penalty proceedings void ab initio. In the absence of such specificity, the assessee is deprived of an effective opportunity to rebut the charge, thereby vitiating the proceedings. Consequently, the said notice cannot be sustained in law and is hereby quashed. As a corollary, the penalty orders passed by the AO u/s.270A of the Act for the AYs 2017-18 to 2020-21, being consequential in nature, are unsustainable in the eyes of law and are also liable to be set aside. We further note that the CIT(A), having appreciated the aforesaid legal position, has rightly deleted the penalty levied by the AO u/s.270A of the Act for the impugned assessment years. We find no error, infirmity, or perversity in the order so passed by the CIT(A). It is further observed that the omission on the part of the Revenue to raise any specific grounds of appeal assailing the order of the CIT(A) in deleting the penalty on account of defective notices renders the Revenue's entire appeal infructuous. Accordingly, we see no reason to interfere with the order of the CIT(A). In the result, the grounds of appeal raised by the Revenue for the AYs 2017-18 to 2020-21 are devoid of merit and are dismissed. Consequently, all the four appeals of the Revenue in ITA Nos.1651 to 1654/Chny/2025 stands dismissed.

39. Respectfully following the binding precedents and the ratio laid down in the decisions referred to above, we are of the considered view that the show cause notice dated 28.03.2023 issued by the AO u/s.274 r.w.s 270A of the Act suffers from inherent defects and infirmities. The said notice does not meet the requirements of law, inasmuch as it fails to clearly specify the charge or the precise default alleged to have been committed by the assessee. Consequently, the said notice is held to be defective and invalid in law and, therefore, cannot be sustained. Accordingly, the same stands quashed.

40. As a natural corollary, the penalty order passed by the AO u/s.270A of the Act for the A.Y.2017-18, being consequential in nature and having no independent existence, is rendered unsustainable in the eyes of law. The said penalty order is, therefore, quashed.

41. Likewise, in respect of the AYs 2018-19 to 2021-22, we find that the show cause notices issued by the AO u/s.274 r.w.s 270A of the Act similarly suffer from the same infirmity, inasmuch as they fail to specify the relevant limb or sub-clause of section 270A(9) of the Act under which the penalty proceedings were initiated. In the absence of such specification, the notices are vitiated and rendered invalid and unsustainable. Consequently, the penalty orders passed pursuant thereto for the AYs 2018-19 to 2021-22 are also quashed.

42. In the light of the foregoing discussion, and respectfully following the judicial precedents on the issue, we hold that the penalty proceedings-initiated u/s.270A of the Act for the AYs.2017-18 to 2021-22 are invalid and unsustainable in law. Accordingly,

the grounds of appeal raised by the assessee in ITA Nos. 1806 to 1810/Chny/2025 are allowed.

43. In the result, the appeals of the assessee in ITA Nos.1801 to 1805/ Chny / 2025 are partly allowed and appeals in ITA Nos. 1806 to 1810/Chny/2025 are allowed.

Order pronounced in the court on 28th October, 2025 at Chennai.

Sd/-	**Sd/-**
(जॉर्ज जॉर्ज के)	**(एस. आर. रघुनाथा)**
(GEORGE GEORGE K)	**(S. R. RAGHUNATHA)**
उपाध्यक्ष /**VICE PRESIDENT**	लेखा सदस्य/**ACCOUNTANT MEMBER**

चेन्नई/Chennai,

दिनांक/Dated, the 28th October, 2025

SP

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant

2. प्रत्यर्थी/Respondent

3.आयकर आयुक्त/CIT– Chennai/Coimbatore/Madurai/Salem

4. विभागीय प्रतिनिधि/DR

5. गार्ड फाईल/GF