

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'B' BENCH, CHENNAI
श्री एस.एस. विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष
Before Shri S.S. Viswanethra Ravi, Judicial Member &
Shri Amitabh Shukla, Accountant Member

आयकर अपील सं./I.T.A. No.2468/Chny/2025
निर्धारण वर्ष/Assessment Year: 2022-23

&

S.A. No. 85/Chny/2025 [In ITA No. 2468/Chny/2025]

Raviraj Varadharaj,
16/08, Duraisamy Colony,
Arumbakkam, Chennai 600 106.

Vs. The Income Tax Officer,
Non Corporate Ward 8(2),
Chennai.

[PAN:AMOPV6065A]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri V. Swaminathan, C.A.
प्रत्यर्थी की ओर से/Respondent by : Ms. Gouthami Manivasagam, JCIT
सुनवाई की तारीख/ Date of hearing : 03.11.2025
घोषणा की तारीख /Date of Pronouncement : 12.11.2025

आदेश /O R D E R

PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order dated 25.07.2025 passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi for the assessment year 2022-23.

2. Ground No. A, raised by the assessee in challenging the action of the Id. CIT(A) in confirming the addition made by the Assessing

Officer on account of loan creditors under section 68 of the Income Tax Act, 1961 ["Act" in short].

3. It is noted that the Assessing Officer discussed the said issue from pages 6 to 8 of the assessment order, wherein, it was requested by the assessee to give sufficient time to provide explanation and evidence and for non-submission of the same, the Assessing Officer added the entire amount of loan credits to the income of the assessee. The Id. CIT(A) confirmed the same by recording his reasons in para 5 of the impugned order.

4. Before us, the Id. AR Shri V. Swaminathan, C.A. submits that the said loans were availed in earlier years and no loan was taken in the year under consideration. The Id. AR argued that the view adopted by the Assessing officer and confirmed by the Id. CIT(A) is not justified, when no loan was taken in the year under consideration and prayed to delete the addition made by the Assessing officer.

5. The Id. DR vehemently argued that the Assessing Officer/Id. CIT(A) given ample opportunities to furnish the details of loan creditor, but, the assessee failed to submit the same. He argued that the submission made by the Id. AR that no loans were taken during the

year under consideration is a new argument, which was not taken before the authorities below.

6. Having heard both the parties and considering the submissions of the Id. AR and the Id. DR and in the interest of justice, we deem it proper to remand the matter to the file of the Assessing officer for fresh consideration to decide the issue afresh taking into account the submissions of the Id. AR that no loans were taken in the year under consideration and the addition made thereon is not maintainable. The assessee shall furnish the details, if any, in support of his claim. Thus, ground No. A raised by the assessee is allowed for statistical purposes.

7. Ground No. B, raised by the assessee in challenging the action of the Id. CIT(A) in restricting the addition made towards disallowance of expenses at 10% of the total expenses claimed. The Assessing officer decided the said issue in para 6.1 to 6.4 of the assessment order, wherein, for non submissions of bills and vouchers of transport charges paid, telephone expenses, maintenance expenses, etc., disallowed 20% of the total expenses [20% of ₹.17,47,950/- and added ₹.3,49,590/- to the income of the assessee vide para 7.3 of the

assessment order. The Id. CIT(A) restricted the same to 10% vide para 5.1 of the impugned order.

8. After hearing both the parties, it is noted that the details of expenses were reproduced in page 10 of the assessment order, wherein, we of the opinion that the disallowance of 5% of total expenses is reasonable and accordingly, the disallowance of expenses is restricted to 5% of the total expenses i.e., ₹.87,398/- of total claim made by the assessee. Thus, ground No. B raised by the assessee is partly allowed.

9. Ground No. C, raised by the assessee in challenging the action of the Id. CIT(A) towards remission or cessation under section 41(1) of the Act. According to the Assessing Officer, no confirmation has been received from M/s. Fortune Agro Foods under section 133(6) of the Act to verify the genuineness of purchases made by the assessee. Further, the Assessing Officer observed that no E-way bills were submitted in respect of purchase made from Tamil Nadu Agro Foods, Vigneshwara Traders, Reshma and Associates and Quad Enterprises. Thus, the Assessing Officer adopted 20% of total sundry creditors and disallowed the same under section 41(1) of the Act vide his reasons recorded in

para 7.4 of the assessment order. The Id. CIT(A) reduced to 15% of total sundry creditors as per para 5.2 of the impugned order.

10. The Id. AR vehemently argued that no GST registration is required for exempt goods as purchased from Fortune Agro Foods, Tamil Nadu Agro Foods, Vigneshwara Traders, Reshma and Associates and Quad Enterprises. The Assessing officer did not give the information regarding issuance of summons under section 133(6) of the Act to the above stated entities. He further argued that the disputed addition cannot be made under section 41(1) of the Act, which is not at all applicable for the issue and liable to be deleted.

11. The Id. DR vehemently argued that this point was not argued before the Assessing Officer/Id. CIT(A) and it is a fresh claim before the Tribunal. She submits that the issue may be remanded to the file of the Assessing Officer for fresh consideration in terms of the submissions of the Id. AR.

12. Having heard both the parties, we deem it proper to remand the matter to the file of the Assessing Officer for fresh consideration in terms of the contentions of the Id. AR raised before the Tribunal and the assessee is required to furnish all documentary evidence in support

his contention regarding no GST registration is required for the goods purchased from Fortune Agro Foods, Tamil Nadu Agro Foods, Vigneshwara Traders, Reshma and Associates and Quad Enterprises. Thus, ground No. C raised by the assessee is allowed for statistical purposes.

13. The Stay Application filed by the assessee in S.A. No. 85/Chny/2025, listed along with the main appeal. Since we have adjudicated the main appeal and partly allowed for statistical purposes, the stay petition filed by the assessee become infructuous and accordingly, the same stands dismissed.

14. In the result, the appeal filed by the assessee is partly allowed for statistical purposes and the Stay Application is dismissed.

Order pronounced on 12th November, 2025 at Chennai.

Sd/-
(AMITABH SHUKLA)
ACCOUNTANT MEMBER

Sd/-
(S.S. VISWANETHRA RAVI)
JUDICIAL MEMBER

Chennai, Dated, 12.11.2025

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant,
2. प्रत्यर्थी/ Respondent,
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR &
5. गार्ड फाईल/GF.