

<p>आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई। IN THE INCOME TAX APPELLATE TRIBUNAL 'C' BENCH: CHENNAI</p> <p>श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री एस. आर. रघुनाथा लेखा सदस्य BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND SHRI S.R.RAGHUNATHA, ACCOUNTANT MEMBER</p>		
<p>विविध अपील सं./MA. No. 194 & 195/Chny/2025 IN आयकर अपील सं. (ITA No. 191/Chny/2025) निर्धारण वर्ष/Assessment Years: 2017-18</p>		
<p>Mohit Chandak, 14, Chinna Thambi Street, Parrys, Chennai-600 001 [PAN: AOZPM 8624 D]</p>	<p>v.</p>	<p>The Dy. CIT, Central Circle-3(3) Chennai</p>
<p>विविध अपील सं./MA. No. 195/Chny/2025 IN आयकर अपील सं. (ITA No. 194/Chny/2025) निर्धारण वर्ष/Assessment Years: 2016-17</p>		
<p>Mohit Chandak, 14, Chinna Thambi Street, Parrys, Chennai-600 001 [PAN: AOZPM 8624 D]</p>	<p>Vs</p>	<p>The Dy. CIT, Central Circle-3(3) Chennai</p>
<p>(अपीलार्थी/Appellant)</p>		<p>(प्रत्यर्थी/Respondent)</p>
<p>अपीलार्थी की ओर से/ Appellant/Assessee by</p>	<p>:</p>	<p>Mr. D. Anand, Advocate</p>
<p>प्रत्यर्थी की ओर से /Respondent/Revenue by</p>	<p>:</p>	<p>Mr. S. Praveen, Addl. CIT</p>
<p>सुनवाई की तारीख/Date of Hearing</p>	<p>:</p>	<p>09.01.2026</p>
<p>घोषणाकीतारीख /Date of Pronouncement</p>	<p>:</p>	<p>06.02.2026</p>

आदेश / O R D E R

PER MANU KUMAR GIRI, JM:-

These present captioned Miscellaneous Applications have been filed by the Revenue seeking recall of the Tribunal impugned order dated 09.07.2025.



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2. The Ld.DR, by the above captioned applications contended as under :-

"The assessee, Shri. Mohit Chandak is wholesale dealers in Paper and Boards in the name & style of his proprietorship concern M/s. RR Impex. The assessee filed his original return of income for the A.Y.2017-18 on 25.10.2017 declaring a total income of Rs. 16,37,150/-. Subsequently, a survey operation u/s.133A of the Income tax Act, 1961 was carried out in the case of assessee on 24.01.2018. During the course of the survey it was found that assessee has claimed excess expenditure of salary to the tune of 65.17 lakhs during the relevant assessment year 2017-18.

Based on the above reasons, the re-assessment proceedings were initiated by issue of notice u/s. 148 of the Income-tax Act, 1961 dated 20.04.2021 after recording reasons thereon and obtaining due approval from the higher authorities. Subsequently, the scrutiny assessment was completed, vide order passed u/s 143(3) r.w.s 147 of IT Act, 1961 dated 31.03.2022 assessing total income of the assessee at Rs. 3,60,63,374/-, after making the following additions/disallowances:

<i>Disallowance of Salary Expenditure</i>	<i>Rs.65,17,000/-</i>
<i>Disallowance of 30% of expenses claimed</i>	<i>Rs.46,86,700/-</i>
<i>Disallowance of 5% of the direct expenses claimed</i>	<i>Rs.2,32,22,524/-</i>

In the meantime the Hon'ble Supreme court vide its judgement dated 04.05.2022 (2022 SCC Online SC 543), in



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the case of Union of India v. Ashish Agarwal had adjudicated on the validity of the issue of reassessment notices intued by the Assessing Officers during the period beginning on 1st April, 2021 and ending with 30th June 2021. The Hon'ble Supreme Court has held that these extended reassessment notices issued under the old law shall be deemed to be the show cause notices issued under clause (b) of section 148A of the new law and has directed Assessing Officers to follow the procedure with respect to such notices.

Hence, as per the direction of the Hon'ble Supreme Court a letter was issued to the assessee on 01.06.2022 treating the notice issued u/s 148 dated 20.04.2021 as Show Cause Notice in terms of section 148A(b) and the details of material/information on the basis of which the assessment is sought to be reopened was also provided to the assessee vide letter dated 01.06.2022.

Subsequently, order u/s. 148A(d) of IT Act, 1961 was passed on 31.07.2022 and notice u/s. 148 of the IT Act, 1961 was issued to the assessee 31.07.2022 Accordingly, the assessment order u/s 143(3) r.w.s 147 of IT Act, 1961 dated 27.03.2023 was passed in the assessee's case for the AY 2017-18, assessing a total income of Rs. 81,54,150/-, after making the following disallowance:

Disallowance of Salary Expenditure Rs. 65,17,000/-

Aggrieved with the assessment orders dated 31.03.2022 and 27.03.2023, the assessee preferred an appeal before the



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Id. CIT(A). In connection with the assessee's appeal against the assessment order dated 31.03.2022, the Id. CIT(A) vide his order in ITA No. 334/CIT(A)-20/2024-25 dated 29.11.2024, dismissed the assessee's appeal as infructuous and the assessee's appeal against the assessment order dated 27.03.2023, the Id. CIT(A) vide his order in ITA No. 336/CIT(A)-20/2024-25 dated 29.11.2024, dismissed the assessee's appeal.

Further, aggrieved with the above order of Id. CIT(A), the assessee preferred an appeal before Hon'ble ITAT. The Hon'ble ITAT vide its order dated 09.07.2025 in ITA Nos. 191 & 194/Chny/2025, has allowed assessee's appeal.

In this regard to the above, it is submitted that the Hon'ble ITAT vide its order dated 09.07.2025, has allowed the assessee's appeal against the assessment order u/s 143(3) rw.. 147 dated 27.03.2023 passed in the assessee's case for A.Y. 2017-18. In this regard, it is pertinent to note that prior to the decision of the Hon'ble ITAT, the Id. CIT(A) vide his order in ITA No. 334/CIT(A)-20/2024-25 dated 29.11.2024 has treated the assessment order u/s 143(3) r.w.s. 147 of the Income Tax Act, 1961 dated 31.03.2022 passed for A.Y. 2017-18, as non-est.

In view of the above decision of the Hon'ble ITAT, it is seen that, the decision of the Hon'ble Supreme Court in Ashish Agarwal's case (cited supra), is not applicable in the assessee's present case, wherein the assessment proceedings were



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already completed on 31.03.2022 and the re-assessment was re-initiated on the same reason vide show cause notice u/s 148A(b) of the Income Tax Act, 1961 dated 01.06.2022 and accordingly, assessment order u/s 143(3) r.w.s. 147 dated 27.03.2023 was passed in the assessee's case for A.Y. 2017-18. Since, the assessment order passed u/s 143(3) r.w.s 147 of IT Act, 1961 dated 31.03.2022, was made in accordance with the provisions of the Income Tax Act, 1961, it is submitted that there is an apparent error in the order of the Hon'ble ITAT.

2. It is therefore prayed that the Hon'ble Tribunal may restore the assessment order u/s 143(3) r.w.s 147 of IT Act, 1961 dated 31.03.2022 in the assessee's case for A.Y. 2017-18 to its original position, dispose of it on its own merits, and thus render justice.

3. Per contra, Mr. D. Anand, Advocate has objected the captioned applications on the ground that the revenue by long drawn process reopening and rearguing the matters which is not the mandate of Section 254(2) of the Income Tax Act.

4. We have heard the rival contentions and perused the material on record. We find that our impugned order is based upon the judgments of the Hon'ble jurisdictional High Court in the case of Merton v. Deputy Commissioner of Income-tax [2025] 171 taxmann.com 544 (Madras)/[2025] 475 ITR 734 (Madras) and



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Hon'ble Delhi High Court in the case of Anindita Sengupta v. Asstt. CIT [2024] 161 taxmann.com 39/467 ITR 624 (Delhi). We find from the impugned order that there is no mistake apparent from the record.

5. In the result, both the captioned Miscellaneous Applications filed by the revenue are dismissed.

Order pronounced on the 06th day of February 2026, in Chennai.

Sd/-

(एस. आर. रघुनाथा)

(S.R.RAGHUNATHA)

लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-

(मनु कुमार गिरि)

(MANU KUMAR GIRI)

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 06th February, 2026.

SNDP, Sr. PS

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF