

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH, CHENNAI

श्री एबी टी वर्की, न्यायिक सदस्य एवं श्री एस. आर. रघुनाथ लेखक सदस्य के समक्ष
BEFORE SHRI ABY T VARKEY, JUDICIAL MEMBER AND
SHRI S.R. RAGHUNATHA, ACCOUNTANT MEMBER

आयकर अपीलसं./ITA No.3471/CHNY/2025
निर्धारण वर्ष / **Assessment Year: 2017-18**

Santosh Super Market, No.337/1, II Avenue, Anna Nagar (West), Chennai – 600 040.	vs.	The Assistant Commissioner of Income Tax, Non-Corporate Circle-7(4), Chennai.
[PAN: ABAFS-6089-E] (अपीलकर्ता/Appellant)		(प्रत्यर्थी/Respondent)

अपीलकर्ता की ओर से/ Appellant by : Shri. S. Girish Kumar, Advocate
प्रत्यर्थी की ओर से /Respondent by : Shri. Kumar Chandan, JCIT

सुनवाई की तारीख/Date of Hearing : 21.01.2026
घोषणा की तारीख /Date of Pronouncement : 13.02.2026

आदेश / ORDER

PER S.R. RAGHUNATHA, AM:

This appeal by the assessee is arising out of the order dated 11.11.2025, passed by the Learned Commissioner of Income Tax (Appeal), NFAC, Delhi (in short "Id.CIT(A)") for the assessment year (A.Y) 2017-18 against the order u/s.147 r.w.s 144 r.w.s 144B of the Income Tax Act, 1961 (hereinafter the 'Act') passed by the Assessing Officer, NFAC (AO) dated 30.03.2022.

2. Brief facts of the case are that the assessee is a firm and carrying on the business of chain of Super Market dealing in household items, groceries etc for almost two decades. The assessee filed its return of income on 28.10.2017 for A.Y.2017-18, declaring total income of Rs.58,06,640/-. On verification of the ITR, the AO found that the assessee had shown total sales/turnover to the tune of Rs.40,92,47,157/-. Based on the information available on records with the department, the AO noticed that the assessee made cash deposits to the

tune of Rs.137,63,77,632/- in its various bank accounts which are required to be brought under tax net. The case was re-opened u/s.147 of the Act and the Assessing Officer issued statutory notices to the assessee and called for details, but the assessee failed to respond to any of the notices. Since the assessee did not explain the excess of cash deposit more than turn over, the AO considered the excess of cash deposits to the tune of Rs.96,71,30,475/- as undisclosed income of the assessee. The AO made an addition of Rs.97,29,371/- (estimated percentage of 1% of excess deposit in bank over the turn over) by arriving at a total income of Rs.1,55,36,011/- for the A.Y 2017-18 and concluded the assessment proceedings by passing an order u/s.147 r.w.s 144 r.w.s 144B of the Act dated 30.03.2022.

3. Aggrieved by the order of the AO, the assessee preferred an appeal before the Id.CIT(A), NFAC, Delhi on 21.09.2022.

4. At the outset, we observed that Id.CIT(A) has provided five opportunities for the assessee to appear for hearings from 02.08.2022 to 09.10.2025 as detailed in paragraph 4.2 of the Id.CIT(A) orders to support the appeal of the assessee. However, the assessee chose to be silent and did not respond to any of the notices and hence, the Id. CIT(A) passed an order dated 11.04.2024 by confirming the order of the Assessing Officer.

5. The Id.AR submitted that the accountant of the assessee had not checked the income tax portal and its email ID during the relevant period and hence the assessee was not aware of the notices issued by the Id.CIT(A) and hence he could not appear and submit the valid evidence before the Assessing Officer as well as the Id.CIT(A). In view of the above, the Id.AR prayed to set aside the order of Id.CIT(A) and remit the issues to the file of Assessing Officer. Further, Id.AR assured the bench that the Id.AR will represent on behalf of the assessee before the AO to complete the assessment proceedings effectively.

6. Per contra, the Id.DR submitted that both the Assessing Officer and the Id.CIT(A) provided sufficient opportunity to appear before them. However, the assessee has been negligent in responding to the statutory notices and hence, prayed for confirming the order of the Id.CIT(A).

7. We have heard the rival parties and perused the material available on record and gone through the orders of the lower authorities. We note that the AO has passed order by

considering the information available with the department and the same has been dismissed by the Id.CIT(A), NFAC due to non-participation of the assessee.

8. Accordingly, in the interest of justice and fair play, we deem it appropriate to set aside the impugned order passed by the Id. CIT(A) and restore the matter to the file of the Assessing Officer for de novo adjudication. The Assessing Officer is directed to reframe the assessment in accordance with law after affording reasonable opportunity of being heard to the assessee and after considering such evidences and explanations as may be furnished. Needless to say, the assessee to be diligent and file written submissions and relevant documents if advised so.

9. Before parting, we also observe that the Id. CIT(A), in paragraph 4.4 of the impugned order, has mentioned an incorrect figure of addition at Rs.97,29,37,115/-, whereas the actual addition made by the Assessing Officer was Rs.97,29,371/-. In view of the fact that the impugned appellate order itself is being set aside and the matter is remanded for fresh consideration, we deem it fit to point out this apparent mistake, which is found on the face of the record should be read as Rs.97,29,371/- instead of Rs.97,29,37,115/- to avoid confusion which will also go back to AO for denovo assessment.

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

Order pronounced in the open court on 13th February, 2026 at Chennai.

Sd/-
(एबी टी वर्की)
(ABY T VARKEY)
न्यायिक सदस्य/Judicial Member

Sd/-
(एस. आर. रघुनाथा)
(S. R. RAGHUNATHA)
लेखा सदस्य/Accountant Member

चेन्नई Chennai:

दिनांक Dated : 13th February, 2026

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आदेश की प्रतिलिपि □ ग्रेषित/Copy to:

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