

आयकर अपीलिय अधिकरण, 'सी' न्यायपीठ, चेन्नई। IN THE INCOME TAX APPELLATE TRIBUNAL 'C' BENCH: CHENNAI		
श्री इंतूरी रामा राव लेखासदस्य एवं श्री मनु कुमार गिरि, न्यायिक सदस्य BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER AND SHRI MANU KUMAR GIRI, JUDICIAL MEMBER		
आयकर अपील सं./ITA No 3884/Chny/2025 निर्धारण वर्ष/Assessment Year: 2018-19		
Gopalan Vijayasudha, 2/536, Sudha Nivas, Balaji Nagar, Malumichampatti, Coimbatore-641 021	v.	ITO, NON CORPORATE WARD 4(3), Coimbatore, Coimbatore-641 018
[PAN: ACIPV 6407 E]		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)
अपीलार्थी की ओर से/ Assessee by	:	MR. C. Venugopal, Advocate
प्रत्यर्थी की ओर से /Respondent by	:	Ms. R ANITHA, Addl. CIT
सुनवाई की तारीख/Date of Hearing	:	17.02.2026
घोषणा की तारीख /Date of Pronouncement	:	20.02.2026

आदेश / ORDER

PER MANU KUMAR GIRI, JM:

This captioned Appeal filed by the Assessee is directed against the orders of the Ld. Commissioner of Income Tax (Appeals), NFAC, Delhi, [CIT(A)] dated 06.12.2024 for Assessment Year 2018-19.

2. The appellant is an individual and a small trader engaged in the pharmaceutical business. The impugned assessment order dated



:: 2 ::

21.03.2023 was passed u/s. 147 read with 144 and 144B of the Income-tax Act, 1961 by the Assessment Unit of the Income Tax Department.

In response to the notice issued under Section 148, the appellant filed his return of income for A.Y. 2018-19 on 13.06.2022 (Acknowledgement No. 666449890130622), declaring a total income of Rs.4,58,860/- and paid tax of Rs.15,126/-, including TDS of Rs.1,236/-.

During the reassessment proceedings, the Assessment Unit observed that the appellant had deposited cash amounting to Rs.17,85,380/- in his account with Karur Vysya Bank Ltd. and Rs.34,85,872/- in his account with South Indian Bank Limited. According to the Assessing Officer (AO), the cash deposits exceeded the sales reported in the ITR by Rs.20,01,166/-, which was treated as unexplained money under Section 69A of the Act and added to the income.

Further, the AO made disallowances of Rs.3,39,012/- (being 20% of sundry creditors amounting to Rs.16,95,060/-) and Rs.4,12,593/- towards depreciation. Thus, total additions of Rs.7,51,605/- were made apart from the addition under Section 69A. The aggregate



:: 3 ::

addition amounted to Rs.27,52,771/-, resulting in a tax demand of Rs.35,67,098/-.

3. The appellant contends that the addition under Section 69A is unsustainable and beyond jurisdiction, and that it violates principles of natural justice. Without prejudice, it is submitted that the bank statements obtained by the department indicate that sales through bank transactions amounted only to Rs.5,85,791/-, and the remaining turnover of Rs.52,70,086/- represented cash sales. It is claimed that any discrepancy arose due to a typographical error by the representative who filed the return.

It is further submitted that the outstanding balance of Rs.68,81,397/- in the bank cash credit account formed part of the sundry creditors totaling Rs.84,75,300/-, and the remaining Rs.15,93,903/- pertained to business loan creditors. The appellant also states that the depreciation statement had already been filed along with the return under Section 32 of the Act. Therefore, according to the appellant, Section 69A is not applicable, and the creditors' balances and depreciation claims are duly explained in the return of income.



:: 4 ::

4. Aggrieved by the assessment order, the assessee preferred an appeal before the Id. CIT(A). The Id. CIT(A) passed an ex parte order, allegedly without providing adequate opportunity of hearing, and confirmed the additions made by the AO on account of non-compliance with notices. The assessee contends that he did not receive the notice of hearing.

5. The assessee has now filed an appeal before this Tribunal, seeking one more opportunity to substantiate the turnover, creditors' balances, and other claims made in the return of income.

6. The Id. Departmental Representative (DR), on the other hand, supported the order of the Id. CIT (A) and prayed for dismissal of the appeal.

7. We have considered the rival submissions and perused the orders of the Id. CIT(A) and the AO. In the interest of justice, we are of the view that the assessee should be granted a final opportunity to present the necessary evidence and submissions before the Id. CIT(A). Accordingly, the impugned order is set aside and the matter is restored to the file of the Id. CIT(A) for fresh adjudication on merits. The Id. CIT(A) shall afford the assessee a reasonable opportunity of being heard. The assessee is directed to diligently



ITA No 3884/Chny/2025 (AY 2018-19)
Gopalan Vijaysudha (Vs) ITO NCW 4(3)

:: 5 ::

prosecute the appeal and actively participate in the appellate proceedings.

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

Order pronounced on the 20th day of February 2026, in Chennai.

Sd/-
(इंतूरी रामा राव)
(INTURI RAMA RAO)

लेखा सदस्य/**ACCOUNTANT MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 20th 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

Sd/-
(मनु कुमार गिरि)
(MANU KUMAR GIRI)

न्यायिक सदस्य/**JUDICIAL MEMBER**