

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH, CHENNAI**

श्री एस एस विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री एस. आर. रघुनाथा, लेखा सदस्य के समक्ष
**BEFORE SHRI S.S. VISWANETHRA RAVI, JUDICIAL MEMBER AND
SHRI S. R. RAGHUNATHA, ACCOUNTANT MEMBER**

आयकर अपीलसं./ITA Nos.3793 & 3794/CHNY/2025
(निर्धारण वर्ष / Assessment Year: 2020-21)

Selvaraj Manoharan, No.96 A V V Koil Street, Thiruvallieswarar Nagar, Thirumangalam, Chennai – 600 040.	vs.	The Income Tax Officer, Non-Corp Circle-7(1), Chennai.
[PAN:AGKPM-7433-R] (अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Mr. M.S. Pandian, C.A.
प्रत्यर्थी की ओर से/Respondent by : Ms. Gouthami Manivasagam,
Addl. CIT.

सुनवाई की तारीख/Date of Hearing : 17.02.2026
घोषणा की तारीख/Date of Pronouncement : 17.03.2026

आदेश / O R D E R

PER S.R.RAGHUNATHA, AM:

These appeals of the assessee are filed against the separate orders of the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, (in short 'ld.CIT(A)') for the assessment year 2020-21, vide the orders dated 18.09.2025 and 30.07.2025 respectively against the assessment order passed by the AO, NFAC, Delhi, u/s.143(3) r.w.s 144B of the Income Tax Act, 1961 (in short 'the Act') dated 06.09.2022 and the penalty

order passed by the AO, NFAC, Delhi, u/s.271B of the Act dated 07.04.2025 respectively.

2. At the threshold, we observe that there is a delay of 12 days in the filing of the appeal against the assessment order and 73 days delay against the order of penalty u/s.271B of the Act by the assessee. The assessee has furnished an affidavit explaining that the assessee was not aware of the impugned orders passed by the Id.CIT(A) during the relevant period. Upon perusal of the affidavit and after affording due opportunity of hearing from both parties, we are satisfied that the assessee has demonstrated sufficient and reasonable cause for not presenting the appeals within the statutory period prescribed under law. Accordingly, in the interest of justice, the delay in filing the appeals is hereby condoned, and the appeal is admitted for adjudication on merits.

3. The brief facts of the case are that the assessee is an individual, engaged in the business of operating transport vehicles for transport of milk within the State of Tamil Nadu and has not filed his return of income on 24.03.2021, by declaring total income of Rs.21,88,190/- for the AY 2020-21. The case was selected for complete scrutiny through CASS and statutory notices issued to the assessee and called for details. In response, the assessee has submitted written submission along with P&L Account and Balance Sheet. On perusal of the P&L account, the Assessing Officer found that the assessee has made contract payments of Rs.12,02,120/- and paid rent on transit of milk and curd of Rs.5,42,484/- and no TDS have been made on these transactions. Hence, the Assessing Officer was disallowed at the rate of 30% of Rs.12,02,120/- and Rs.5,42,484/- u/s.40(a)(ia) of the Act and added back to the income of the assessee. The AO made additions to the tune of Rs.5,23,390/- (Rs.3,60,636/- + Rs.1,62,745/-) by arriving a total income of

Rs.27,11,571/- and concluded the assessment proceedings by passing an order u/s.143(3) r.w.s 144B of the Act dated 06.09.2022.

4. Subsequently, the AO found that the assessee had not filed tax audit report during the assessment proceedings, though the assessee's turnover was Rs.4,21,60,597/- for the A.Y.2020-21. Later, the assessee furnished the tax audit report u/s.44AB of the Act on 24.03.2021 which was beyond the due date specified u/s.44AB of the Act. The AO concluded the assessment by making certain additions and the AO initiated penalty proceedings u/s.271B of the Act. On perusal of the explanation furnished by the assessee, the AO was not convinced and levied penalty of Rs.1,50,000/- (being lesser than one half percent of turnover of Rs.4,21,60,597/-) and concluded the penalty proceedings by passing a penalty order u/s.271B of the Act dated 07.04.2025.

5. Aggrieved by the orders of the AO, the assessee filed two separate appeals before the Id. CIT (A), NFAC, Delhi on 06.10.2022 and 28.04.2025 respectively.

6. At the outset, we observed that Id.CIT(A) has provided five opportunities for the assessee to appear for hearings as detailed in paragraphs 2.1 and 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 two separate orders dated 18.09.2025 and 30.07.2025 by confirming the orders of the Assessing Officer.

7. The Id.AR submitted that 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 the assessee could not immediately attend to the proceedings. Therefore, Id.AR prayed for one

more opportunity to be provided to the assessee to represent his case before the Id.CIT(A) in the interest of natural justice. Further, the Id.AR assured the bench that he will undertake to represent on behalf of the assessee before the Id.CIT(A), in case one more opportunity is provided.

8. 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).

9. 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 orders by considering the documents submitted by the assessee and the information available with the department and on appeal the same have been dismissed by the Id.CIT(A), NFAC due to non-participation before the first appellate authority.

10. Therefore, in the present facts and circumstances of the case and to meet the ends of justice, we are deeming it fit to provide one more opportunity to the assessee and hence we set aside the order of the Id.CIT(A) and remit the matter back to the file to Id.CIT(A) to adjudicate the matter afresh on merits in accordance to law, after providing reasonable opportunity to the assessee. Needless to say, assessee to be diligent and file written submissions and relevant documents if advised so.

11. Since the order in quantum appeal in ITA No.3793/Chny/2025 (supra) has been set aside and remitted back to the Id.CIT(A), the consequential penalty order passed u/s.271B of the Act dated 30.07.2025, is likewise hereby

set aside and remitted back to Id.CIT(A) to decide the issue along with the quantum appeal.

12. In the result, both the appeals filed by the assessee are allowed for statistical purposes.

Order pronounced in the open court on 17th March, 2026 at Chennai.

Sd/-

(एस एस विश्वनेत्र रवि)

(S.S. VISWANETHRA RAVI)

न्यायिक सदस्य/Judicial Member

Sd/-

(एस. आर. रघुनाथा)

(S.R.RAGHUNATHA)

लेखा सदस्य/Accountant Member

चेन्नई/Chennai,

दिनांक/Dated, the 17th March, 2026

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