

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

श्री एबी टी. वर्की, न्यायिक सदस्य एवं श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष  
BEFORE SHRI ABY T VARKEY, JUDICIAL MEMBER AND  
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.1138/Chny/2025  
Assessment Years: 2020-21

Asirvad Micro Finance Limited,  
No.9, 9<sup>th</sup> Floor, Club House Road,  
Anna Salai,  
Chennai-600 002.  
[PAN: AAGCA5275J]

Income Tax Officer,  
CHE-C(1)-251,  
Chennai.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Assessee by

: Shri P.R.Prasanna Varma, F.C.A & Mr.  
Arjun Rajagopalan, C.A.

प्रत्यर्थी की ओर से /Revenue by

: Shri Bipin C.N, CIT

सुनवाई की तारीख/Date of Hearing

: 09.07.2025

घोषणा की तारीख /Date of Pronouncement

: 18.07.2025

**आदेश / ORDER**

**PER AMITABH SHUKLA, A.M :**

This appeal is filed by the assessee against the order bearing DIN & Order No. ITBA / NFAC / S / 250 / 2024-25 / 1072914317(1) dated 04.02.2025 of the Learned Commissioner of Income Tax [herein after "CIT(A), National Faceless Appeal Centre(NFAC), Delhi, for the assessment year 2020-21. The reference to the word "Act" in this order hereinafter shall mean the Income Tax Act, 1961 as amended from time to time.

2.0 At the outset, the Ld.Counsel for the assessee submitted that the additions have been made in its case by the Revenue invoking powers u/s. 143(1) without appreciating the correct factual figures given in the tax audit report as well as the accompanying financials, computation of income etc. It was vehemently argued that there are several inconsistencies indicating, inter-alia, towards instances of double addition. It was accordingly requested that the matter may be considered for setting aside to the Ld.AO for examination and readjudication. The brief factual matrix reported in the case is that the return of income for AY-2020-21 was filed on 06.01.2021 declaring income of Rs.374.35 Crs. The Ld.AO at CPC Bangalore made various adjustments to the returned income amounting to Rs.84.13 Crs. The adjustments were made on account of inconsistencies noticed qua figures / amounts available in tax audit reports and computation of income. Thus, adjustment of Rs.80.11Crs. on account of ICDS, Rs.3.75 Crs. and Rs. 19.77 lakhs on account of bonus and leave encashment u/s 43B and mismatch of figures was made. The Ld. AO had also made adjustments of Rs.1.05 Crs on account of PF and ESI u/s. 36(1)(va). Finally, the income was assessed at Rs.458.48 Crs. Subsequently, the case was taken up for complete scrutiny and the Ld.AO passed order u/s 143(3) on 09.09.2022. In the impugned order, the Ld.AO did not make any fresh additions but merely adopted the figure of adjustments u/s

143(1) as at Rs.458,48,30,210/-. The Ld.Counsel informed that the Ld.CIT(A) failed to appreciate true facts of the case and proceeded to confirm the order u/s. 143(3) (Supra). It is the case of the assessee that the Ld.CIT(A) has based his findings on inadequate and inappropriate understanding of the facts of the case.

3.0 Per contra, the Ld. DR would like to make us believe on the correctness of the order of lower authorities.

4.0 We have heard rival submissions in the light of material available on records. We have noted that there is no addition made in the assessment order u/s 143(3) dated 09.09.2022 (supra) which was contested before the Ld.CIT(A). The assessee had in principle agitated before the Ld.CIT(A) the adjustments made to its income vide order u/s 143(1). Thus, as the doctrine of merger does not happen in the orders passed u/s 143(1) and section 143(3), given the fact that both are separately appealable orders u/s 246 of the Act, the order passed by the Ld.CIT(A) is not in order. As no additions were made u/s 143(3) the contest of the assessee before the Ld.CIT(A) was ipso facto non-maintainable. The assessee if genuinely was aggrieved by the order u/s 143(1) ought to have contested it before the Ld.CIT(A) independently. We have however noted that the Revenue has not challenged the order of the Ld.CIT(A) on this account of its non-maintainability. We have also noted that the issue of its non-maintainability apart the Ld.CIT(A) has

also not passed a speaking order while analyzing the merits of adjustments. We have from the extensive paper book filed by the assessee before us noted that there are instances alluding that no disturbance / adjustment was required to be made to the returned income. We also find force in the argument of the assessee qua a case of resultant double taxation. Be that as it may be in the interest of justice we deem it appropriate to remit the matter back to the Ld.AO for a fresh examination and rejudication of the matter. Accordingly, we set aside the order of the lower authorities and direct the Ld.AO to readjudicate the matter in accordance with law and after giving due opportunities of being heard to the assessee. The assessee shall comply with all the statutory notices issued to him and any non-compliance would be adversely viewed. Accordingly all the grounds of all appeal raised by the assessee are therefore allowed for statistical purposes.

5.0 In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced on 18<sup>th</sup>, July-2025 at Chennai.

**Sd/-**

**(एबी टी. वर्की)**

**(ABY T VARKEY)**

**न्यायिक सदस्य / Judicial Member**

**Sd/-**

**(अमिताभ शुक्ला)**

**(AMITABH SHUKLA)**

**लेखा सदस्य /Accountant Member**

चेन्नई/Chennai, दिनांक/Dated: 18<sup>th</sup> , July-2025.  
KB/-

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