



**IN THE INCOME TAX APPELLATE TRIBUNAL
SMC BENCH, LUCKNOW**

BEFORE SHRI. SUDHANSHU SRIVASTAVA, JUDICIAL MEMBER

ITA No.485/LKW/2025
Assessment Year: 2020-21

Mukesh Kumar Singh Sadhinawa Uchwal Hardoi (U.P)	v.	The Income Tax Officer 3 (2) Hardoi-1/NFAC
TAN/PAN:BXKPS8596P		
(Appellant)		(Respondent)

Appellant by:	None
Respondent by:	Shri R.R.N. Shukla, D.R.

ORDER

This appeal has been preferred by the Assessee against the order dated 27.05.2025, passed by the National Faceless Appeal Centre, Delhi (NFAC) for Assessment Year 2020-21.

2.0 The brief facts of the case are that the assessee was engaged in the business of recovery of loans and EMI. The assessee had filed his return of income for the year under consideration declaring a total income of Rs.18,40,681/-. Subsequently, the assessee revised his return of income on 23.11.2020, declaring a total income of Rs.12,17,600/-. The case of the assessee was selected for scrutiny under CASS for the reason that the "*taxable income shown in revised return is less than the taxable income shown in the Original return and large refund has been claimed (Business ITR) Reduction of Income in*

Revised Return & Claim of Refund Taxable Total Income/Total Income as per respective ITR". The Assessing Officer (AO) issued statutory notices to the assessee. However, there was no response from the side of the assessee. The AO, therefore, proceeded to complete the assessment under section 144 of the Act and after comparing the original return and revised return filed by the assessee, the AO determined the net profit of the assessee for the year under consideration at Rs.56,12,018/- and after reducing 30%, i.e., Rs.16,83,605/- being the expenditure, the balance amount of Rs.39,28,413/- (Rs.56,12,018 – Rs.16,83,605) was determined as the income of the assessee for the year under consideration and was added to the total income of the assessee. The AO completed the assessment under section 144 read with section 144B of the Act, assessing the total income of the assessee at Rs.39,28,413/-.

2.1 The AO also initiated penalty proceedings under sections 270A and 272A(1)(d) of the Act, separately.

2.2 Aggrieved, the assessee preferred an appeal before the NFAC. However, the appeal before the NFAC came to be dismissed ex-parte qua the assessee.

2.3 Now, the assessee has approached this Tribunal challenging the orders of the AO as well as the NFAC by raising the following grounds of appeal:

1. Because on the facts and in the circumstances of the case the order of Ld. CIT(A), NFAC is bad in law and deserves to be quashed being illegal.

2. Because on the facts and in the circumstances of the case the order of the Assessment is bad in law and being passed by the Ld. AO without considering the nature of business of the appellant.

3. Because on the facts and circumstances of the case, the learned Ld. CIT(A), NFAC has erred in law and facts in confirming arbitrary additions made by the Assessing Officer by disallowing genuine business expenditures such as salaries, commissions, miscellaneous expenses, and others without affording the appellant proper opportunity to explain or justify such expenditures.

4. Because on the facts and circumstances of the case, the learned Ld. CIT(A), NFAC has erred in law and facts in confirming the order of the Assessing Officer without adjudicating the appeal on merits, thereby upholding the assessment without independent application of mind or proper appreciation of the issues raised.

5. Because on the facts and in the circumstance of the case, the order of Assessment has been passed in absolute violation of the principles of Natural Justice, without providing adequate opportunity of being heard and therefore deserves to be declared a nullity.

6. The appellant craves for leave to add, modify, amend or delete any other and further grounds of appeal with permission.

3.0 None was present for the assessee when the appeal was called out for hearing nor was any adjournment application moved in this regard. However, looking into the facts of the case, I proceed to adjudicate the appeal ex-parte qua the assessee.

4.0 Since the order passed by the AO was under section 144 of the Act and the NFAC had dismissed assessee's appeal in limine, the Ld. Sr. D.R. had no objection to the restoration of appeal to the file of the Assessing Officer.

5.0 I have heard the ld. Senior Departmental Representative and have also perused the material on record. It is evident that the orders passed by both the authorities are ex-parte qua the assessee. Looking into the facts of this case, I am of the considered view that the assessee deserves one more opportunity to present his case and, therefore, I set aside the order of the NFAC and restore this file to the Office of the Assessing Officer with the direction to provide one more opportunity to the assessee to present his case. I also caution the assessee to fully comply with the directions of the Assessing Officer in the set-aside proceedings when called upon to do so, failing which, the Assessing Officer would be at complete liberty to pass the order

in accordance with law, based on material available on record even if it is ex-parte qua the assessee.

6.0 In the result, the appeal of the assessee stands allowed for statistical purposes.

Order pronounced in the open Court on 27/10/2025.

Sd/-
[SUDHANSHU SRIVASTAVA]
JUDICIAL MEMBER

DATED:27/10/2025

JJ:

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT(A)
4. CIT
5. DR

By order

Assistant Registrar/DDO