

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

BEFORE SHRI ANADEE NATH MISSHRA, ACCOUNTANT MEMBER

I.T.A. No.806/Lkw/2025
Assessment Year:2015-16

Ajay Singh Bhadoria 13/392, C-2, C-3, Kashi Dham, Civil Lines, Kanpur-208 101 PAN:AFTPB5290H (Appellant)	Vs.	Income Tax Officer-1(1), Kanpur. (Respondent)
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Appellant by	None
Respondent by	Shri Amit Kumar, Addl. CIT (D.R.)

ORDER

(A) This appeal vide I.T.A. No.806/Lkw/2025 has been filed by the assessee for assessment year 2015-16 against impugned appellate order dated 23/09/2025 (DIN & Order No.ITBA/NFAC/S/250/2025-26/1081064423(1) of Commissioner of Income Tax (Appeals) ["CIT(A)" for short]. In this appeal the assessee has raised the following grounds:

- "1. That the order passed by the learned Commissioner of Income-tax (Appeals), NFAC, Delhi, dated 23.09.2025, upholding the assessment order dated 29.12.2017 passed u/s 143(3) is bad in law, arbitrary, and contrary to the principles of natural justice.*
- 2. That the learned CIT(A) erred in confirming the addition of Rs.36,64,594/- despite complete compliance by the appellant through portal and email, both duly acknowledged by the system. The plea of "non-visibility" of replies at the AO's end could not be used to disregard valid submissions.*

3. *That the Assessing Officer issued a notice proposing to complete the assessment u/s 144 but passed the order u/s 143(3) without rejecting books of account, rendering the order invalid and without jurisdiction.*
4. *That the CIT(A) erred in law and on facts in upholding estimation u/s 44AD where receipts exceeded Rs. 5 crore, contrary to the statutory limits prescribed under that section.*
5. *That the learned authorities failed to appreciate that reimbursements for employee wages, PF and ESI were revenue neutral transactions with no profit element, and inclusion thereof as turnover was unjustified.*
6. *That the authorities below ignored the reconciliation between Service Tax turnover and Income Tax turnover, which arose due to the Service Tax Valuation Rules, 2005, and CBDT Circular No. 452 dated 17.03.1986 clarifying distinct treatment of reimbursements.*
7. *That the addition made by estimating profit @8% and 50% respectively, without any comparable case or rejection of books, is arbitrary and based on conjectures.*
8. *That both orders are non-speaking and fail to appreciate the factual matrix and the nature of business, hence liable to be set aside."*

(B) In this case, assessment order dated 29/12/2017 was passed u/s 143(3) of the I. T. Act whereby assessee's total income was determined at Rs.47,28,041/- as against returned income of Rs.10,63,450/-. The case was selected for limited scrutiny to check whether contract receipts/fee/turnover have been correctly offered for tax and whether refund claim is justified. In the aforesaid assessment order, the Assessing Officer also denied credit for TDS amounting to Rs.1,77,139/- out of total claim of TDS amounting to Rs.10,03,289/-. The assessee's appeal was disposed of by the learned CIT(A) vide impugned appellate order dated 23/09/2025. The present

appeal has been filed by the assessee against the aforesaid impugned appellate order dated 23/09/2025 of learned CIT(A).

(C) At the time of hearing, learned Departmental Representative was heard, who placed reliance on the assessment order and on the impugned appellate order of learned CIT(A) but left the matter to the discretion of the Bench.

(D) On perusal of grounds of appeal (grounds 3, 4 and 6 in particular) it is found that the assessee's replies, explanations and documentary evidences filed through e-filing portal of the Income Tax Department were not considered by the Assessing Officer before passing the assessment order; and further that the learned CIT(A) also did not appreciate this. In view of the foregoing, it is found to be a fit case for restoring the disputed matters back to the file of the Assessing Officer for passing de novo order on these issues. In view of the foregoing, the impugned appellate order of the learned CIT(A) is set aside and the matters in dispute are restored back to the file of the Assessing Officer with the direction to pass fresh assessment order on these issues, in accordance with law, after providing reasonable opportunity to the assessee, and after due consideration of all the materials filed/brought to notice by the assessee.

(E) In the result, the appeal of the assessee is partly allowed for statistical purposes.

(Order pronounced in the open court on 29/01/2026)

Sd/.
(ANADEE NATH MISSHRA)
Accountant Member

Dated:29/01/2026
*Singh

Copy of the order forwarded to :

1. The Appellant
2. The Respondent.
3. Concerned CIT
4. D.R., I.T.A.T.,