

**IN THE INCOME TAX APPELLATE TRIBUNAL
"B" BENCH, AHMEDABAD
BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT
SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER**

ITA No. 1696/Ahd/2025
(Assessment Year: 2016-17)

Checkmate Services Pvt. Ltd., Block 1B, 11 th Floor, Office No.1115 to 1120, 73 East Avenue, Sarabhai Campus, Near Genda Circle, Vadiwadi, Subhanpura, Vadodara-390023 [PAN :AAACC 8465 A]	Vs.	Deputy Commissioner of Income-tax, Circle 1(1)(1), Vadodara
(Appellant)	..	(Respondent)
Appellant by :	Ms. Kinjal V. Shah, AR	
Respondent by:	Shri Ram Tiwari, CIT-DR	
Date of Hearing	11.06.2026	
Date of Pronouncement	17.06.2026	

ORDER

PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-

This appeal has been filed by the Assessee against the order dated 16.07.2025 passed by the Ld. Commissioner of Income-Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi ('Ld. CIT(A)' in short), under Section 250 of the Income-tax Act, 1961 ('the Act' in short), relating to the Assessment Year 2016-17.

2. The effective grounds raised by the assessee are as follows:-

1. The CIT(A) has erred both in Law and in Fact in confirming the disallowance of Rs. 19,35,93,790/- alleged it to be delayed Payment to Employees Contribution to PPF/ESL

2. Your Appellant submit that in view of facts and circumstances of the case and as per provisions of Law as then existed the payment is made before filing Return of Income and therefore disallowance is

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not called for. The AO has failed to give any Show Cause Notice and the amount that he had wanted all.

3. The CIT(A) has also erred in confirming applicability of Sec.26AS and confirming addition of Rs. 42,34,959/- as alleged difference in revenue receipt between books of accounts and as per 26AS. Your Appellant a Private Ltd. Co. has been regularly maintaining Books of Accounts duly audited and also subject to Tax Audit and same method of accounting is followed from year to year by the Company and accepted by Income Tax Department regarding tax at source and payment of tax to the revenue and it is a case of "mismatch".

4. Difference arises on account of method of accounting followed by Appellant and its constitutes & clients and suppliers and over period of time the difference is reconciled and there is no short fall as alleged.

Your Appellant submits that since the time available at the time of Assessment was short and the amount of alleged difference involved being very large reconciliation couldn't made and it is submitted that to arrive at the correct figure of addition if any a chance of Reconstitution/Reconciliation be given as it is done in many cases.

3. The brief facts of the case are that the assessee is engaged in the business of providing security personnel services and operates as a private limited company. It filed its return of income on 17.10.2016 declaring a total income of Rs.14,47,79,040/-. The case was subsequently selected for scrutiny and the assessment was completed under Section 143(3) of the Act on 03.12.2018, making total additions of Rs.19,78,28,749/-. The assessee challenged the order before the Ld. CIT(A), who confirmed the disallowances, leading to the present appeal.

Disallowance of Employees' Contribution to PF/ESI

4. The Assessing Officer made a disallowance under Section 36(1)(va) r.w.s. 2(24)(x) of the Act for delay in deposit of employees' contribution to PF/ESI beyond the due date as prescribed under the statute. We find that the issue stands squarely covered against the assessee by the judgment of Hon'ble Gujarat High Court in the case of CIT Vs. Gujarat State Road Transport Corporation in Tax Appeal No. 637 of 2013 and the judgement of the Hon'ble Apex Court in assessee's own case, i.e. Checkmate Services (P.) Ltd. v. CIT [2022] 143 taxmann.com 178, wherein it was held that employees' contribution to PF/ESI is allowable as deduction only if deposited within the due dates as prescribed under the respective Acts and not merely by the date of filing return under Section 139(1) of the Act.

4.1 In view of the binding precedent of the Hon'ble Supreme Court and Hon'ble High Court, we find no infirmity in the order of the Ld. CIT(A). Accordingly, this ground of appeal is dismissed.

Addition on Account of Revenue Mismatch with Form 26AS

5 This ground pertains to the addition made by the Assessing Officer and confirmed by the CIT(A) on account of alleged difference between the revenue as per books of accounts and Form 26AS. The Assessing Officer observed discrepancies to the extent of Rs.42,34,959/- in revenue reported in Form 26AS and as per the assessee's audited books. The assessee submitted that the mismatch was due to various practical issues such as (i) different accounting methods adopted by customers, (ii) deduction of TDS on gross amount, (iii) TDS on reimbursement of expenses, (iv) timing

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differences due to financial year mismatches, (v) incorrect PAN quoted by deductors etc... The Ld. CIT(A) observed that the assessee has given general type of reasons for the said difference in revenue receipts as per books and Form 26AS, but failed to reconcile or justify the mismatch with supporting documents.

5.1 We have carefully considered the submissions and the documents available on record. While the assessee has offered some reasonable explanations for the discrepancies, no detailed party-wise reconciliation has been submitted either before the Assessing Officer or the CIT(A) to substantiate these claims. Given the nature of the assessee's business, such mismatches may not be indicative of income concealment. Therefore, in the interest of justice, we consider it appropriate to restore this matter to the file of the JAO for a fresh examination. The JAO shall re-examine the reconciliation to be provided by the assessee, after affording the assessee a reasonable opportunity of being heard. The assessee is directed to submit a complete party-wise reconciliation along with all necessary supporting documents.

This ground is accordingly allowed for statistical purposes.

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

The order is pronounced in the open Court on 17.06.2026.

Sd/-
(RAHUL CHAUDHARY)
JUDICIAL MEMBER

Sd/-
(DR. B.R.R. KUMAR)
VICE-PRESIDENT

(True Copy)

Ahmedabad; Dated 17.06.2026

*MV

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

**सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad**