

आयकर अपीलीय अधिकरण, दिल्ली न्यायपीठ “जी”, नई दिल्ली में

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH ‘G’, NEW DELHI**

सुश्री सुषमा चावला, न्यायिक सदस्य एवं डॉ. बी आर आर कुमार, लेखा सदस्य के समक्ष
BEFORE MS. SUSHMA CHOWLA, JM & DR. B.R.R. KUMAR, AM

आयकर अपील सं. / ITA No.4924/Del/2016

निर्धारण वर्ष / Assessment Year 2013-14

The DCIT,

Circle Ayakar Bhawan, Rohtak

.....**अपीलार्थी**/Appellant

vs

The Rohtak Central Co-operative Bank Ltd.,
Head Office, Delhi Road, Rohtak.

PAN-AAAAT8736B.

..... **प्रत्यर्थी** / Respondent

अपीलार्थी की ओर से / Appellant by : Sh. Saras Kumar, Sr.DR

प्रत्यर्थी की ओर से / Respondent by : Sh.S.K.Bansal, Adv.

सुनवाई की तारीख / Date of Hearing : 02.01.2020	घोषणा की तारीख / Date of Pronouncement: 17 .01.2020
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आदेश / ORDER

PER SUSHMA CHOWLA, JM

The present appeal filed by Revenue is against order of CIT(A), Rohtak dated 04.07.2016 relating to assessment year 2013-14 against the order passed under section 143(3) of the Income-tax Act, 1961 (in short ‘the Act’).

2. The Ld.AR for the assessee at the outset pointed out that the issue raised in the present appeal are squarely covered by the order of the Tribunal in assessee’s own case relating to Assessment Year 2007-08 in ITA No.2839/Del/2011 dated 13.02.2015.

3. The first issue raised by the Revenue in the present appeal is against the deletion of addition made on account of accrued interest on NPAs amounting to Rs.2,52,73,757/-.

4. Briefly in the facts of the case the assessee was a co-operative bank engaged in the business of banking. The assessee had not shown any interest income on accrual basis on the NPAs. The assessee explains that such interest amount is shown as the overdue interest reserve account on liabilities side and interest recoverable on assets side in the balance sheet and for the previous year, this accrued interest income was Rs.2,52,73,757/-. The Assessing Officer show caused the assessee as to why the interest accrued on NPAs may not be treated as the income of the assessee during the previous year. In response thereto, the assessee pointed out that the issues stand covered by the orders of the CIT(A) in earlier year. However, the Assessing Officer relying on the earlier order of the Assessing Officer relating to Assessment Year 2012-13 made an addition on account of accrued interest of NPAs totaling Rs.2.53 crores approx.

5. The CIT(A) deleted the aforesaid addition as the fact of recovery of principal amount was doubtful and uncertain and held that hypothetical income on account of interest accrual could not be added to the taxable income of the assessee.

6. We find that the said issue stands covered by the order of the Tribunal (supra) in assessee's own case. The relevant findings are in para 3.4 & 3.5 of the order (supra) and we donot reproduce the same for the

sake of brevity. Following the same parity of reasoning, we hold that there is no merit in making the aforesaid addition on account of accrual of interest on NPAs. Thus, Ground No.1 raised by the Revenue is dismissed.

7. The next issue raised vide Ground No.2 is against the deletion of addition amounting to Rs.8,25,871/- made by the Assessing Officer on account of income from house property.

8. Briefly in the facts of the case, the assessee had first filed original return of income which was then revised. The Assessing Officer was of the view that difference of the income shown in the original return and in the revised return of income of Rs.8,25,871/- should be added to the income of the assessee. The CIT(A) vide para 2 has tabulated the income offered by the assessee vide original computation and also vide revised computation. On comparison, the CIT(A) holds that the comparison made by the Assessing Officer was not correct. Since the assessee had shown the same amount of income from house property in the original return of income and also in the revised computation of income, the addition of Rs.8,25,871/- was deleted. The CIT(A) also observed that the assessee had not surrendered the said amount and the CIT(A) observed that the Assessing Officer had made a mistake in adopting the figure. The Ld. DR has failed to controvert the finding of CIT(A) and consequently, we find no merit in the order of CIT(A) and the same is dismissed. Thus, Ground No.2 raised by the Revenue is dismissed.

9. Now, coming to the last issue raised by the Revenue in this appeal is against the order of CIT(A) in allowing the deduction of Rs.11,74,573/- on

account of provisions for HUDA interest. The case of the Revenue is that the said amount was neither claimed in the original return of income nor any addition was made by the Assessing Officer during assessment proceedings. The explanation of the assessee was that the said amount was disallowed during the immediately preceding assessment year on accrual basis and since it had been added in the hands of the assessee during the preceding year, the said amount was reduced on actual receipt basis during the year under consideration. The said claim was made in revised computation of income wherein the aforesaid claim of deduction was made. The case of the assessee was that since the amount was disallowed on accrual basis during immediately preceding years, the same was eligible for deduction. The CIT(A) allowed the claim of the on the ground that the disallowance of the provision was already made in the assessment of the previous year. We find no merit in the ground of appeal raised by the Revenue in this regard and upholding the order of CIT(A), we dismiss Ground No.3 raised by the Revenue in this appeal.

10. In the result, this appeal of the Revenue is dismissed.

Order pronounced in the open court on 17th January 2020.

Sd/-

(B.R.R.KUMAR)
लेखा सदस्य/ACCOUNTANT MEMBER

Sd/-

(SUSHMA CHOWLA)
न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/दिनांक Dated : 17th January, 2020.

* Amit Kumar *

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent
3. आयकर आयुक्त(अपील) / The CIT(A)
4. मुख्य आयकर आयुक्त / The Pr. CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, दिल्ली / DR, ITAT, Delhi
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

सहायक रजिस्ट्रार, आयकर अपीलीय अधिकरण ,दिल्ली
Assistant Registrar, ITAT, Delhi