

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

श्री महावीर सिंह, माननीय उपाध्यक्ष, एवं  
श्री मनोज कुमार अग्रवाल, माननीय लेखा सदस्य के समक्ष  
**BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE PRESIDENT AND**  
**SHRI MANOJ KUMAR AGGARWAL, HON'BLE ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.176/Chny/2021  
निर्धारण वर्ष /Assessment Year: 2013-14

M/s.Chennai Central-  
Co-operative Bank Ltd.,  
No.215, Prakasam Salai,  
Broadway, Chennai-600 108.  
[PAN: AAAAC 0982 C ]  
**(अपीलार्थी/Appellant)**

**v.** The Principal Commissioner-  
of Income Tax,  
Chennai-8.  
**(प्रत्यर्थी/Respondent)**

अपीलार्थी की ओर से/ Appellant by : Mr.Y.Sridhar, CA  
प्रत्यर्थी की ओर से /Respondent by : Mr.M. Rajan, CIT  
सुनवाई की तारीख/Date of Hearing : 07.04.2022  
घोषणा की तारीख/Dt. of Pronouncement : 08.04.2022

**आदेश / ORDER**

**PER MAHAVIR SINGH, VICE PRESIDENT:**

This appeal by the assessee is arising out of the revision order of the Principal Commissioner of Income Tax, Chennai-8, u/s.263 of the Income Tax Act, 1961 (hereinafter "the Act") vide revision order No.PCIT, Chennai-8/Revision-263/100000193549/2021 dated 30.03.2021.

**2.** At the outset, it is noticed that this appeal is delayed by '7' days as the revision order passed by the PCIT on 30.03.2021, which was received by the assessee on 01.04.2021. The assessee during the course of hearing requested that the delay may be condoned in regard to '7' days and appeal

This order giving appeal effect to the Tribunals order. Now, the subject matter for revision u/s.263 of the Act by the PCIT and the PCIT vide order dated 30.03.2021 directed the AO vide Para Nos.8 & 9, as under:

*8. I have carefully considered the facts of the case and the submission made by the assessee. On perusal of the records, the Assessing Officer has not examined this issue as per the direction of Hon'ble ITAT and passed the order u/s 143(3) r.w.s. 254 on 24.08.2017. There is nothing on record to show that the Assessing Officer indeed applied his mind and came to a judicious conclusion in respect of the issues raised in show cause notice, which is clear from the discussion made in para 6 of the order. He has passed the order in undue haste without calling for the required details and without applying mind to relevant material. The Assessing Officer has passed the order without conducting necessary investigation which he was prima-facie required to do making the order an erroneous assessment warranting revision u/s 263. Reference in this regard may be made to the decision of Hon'ble ITAT (SB), Chennai, in the case of Rajalakshmi Mills Ltd Vs ITO 313 ITR(AT)182, wherein it was held that Commissioner of income Tax can regard order as erroneous on the ground that Assessing Officer should have made further enquiries before accepting statement made by assessee in his return. Passing an order without applying mind to relevant facts would certainly be an erroneous assessment requiring exercise of Jurisdiction u/s.263. This view is supported by the decision of Hon'ble Guahati High Court in CIT Vs Jawahar Bhattacharjee 341 ITR 434 (Gau((FB)). In 41 ITR 286 (Ker), it was held that when AO passed a cryptic order which does not contain details and claims were accepted without enquiry, the assessment order was erroneous and order u/s.263 was justified. In case of Supercloth, 99 ITD 300 (Chn), It was held that lack of enquiry by AO was sufficient to invoke revisionary jurisdiction u/s.263. In case of Rampyari Devi 67 ITR 84 (SC), it was held that accepting the issue without conduction enquiry is valid ground for invoking proceedings u/s.263. In case of the assessee, the Assessing Officer has neither applied his mind nor made any enquiry called for all required details to come to a proper conclusion. In fact, many of the explanation given by the assessee during the present proceedings were never put forth during the assessment proceedings. But the Assessing Officer completed the assessment without applying mind to the relevant facts and without causing necessary enquiry. Since twin conditions of the order being erroneous and also being prejudicial to the interests of revenue are satisfied, revisionary proceedings u/s 263 of the Act have been rightly initiated.*

*9. Thus, the conditions for invoking revisional jurisdiction u/s 263 of the Act are satisfied and I hold that the Order dated 24.08.2017 passed u/s 143(3) r.w.s.254 of the Act for the A.Y.2013-14 is to be subjected to revision u/s 263. Hence, the Assessment Order is hereby set aside with a direction to examine the aspect discussed in the body of the order (supra) and pass the fresh Assessment Order within the stipulated time after providing sufficient opportunities to the assessee. The assessee has full liberty to present any material which was not submitted earlier before the Assessing Officer at the time of assessment proceedings.*

**5.** Now, the Ld.Counsel for the assessee stated that the PCIT cannot revise the order passed by the AO in lieu of directions of the ITAT and he assailed the revision order passed by the PCIT. On the other hand, the CIT-DR, Mr.M.Rajan, supported the order of the PCIT revising the assessment.

December,2015, a havoc was created by rains and due to this natural calamity, the records of the assessee's Co-operative Bank got destroyed and for this reason, he is unable to produce. To us, the plea seems somewhat reasonable and hence, in case the assessee is able to produce 90% of the cases that the interest paid to the members of the Co-operative Bank i.e. assessee's bank, the AO will take a lenient view of the matter. Accordingly, we confirm the revision order passed by the PCIT and dismiss the appeal of the assessee with the above directions.

8. In the result, the appeal filed by the assessee is dismissed.

Order pronounced on the 08<sup>th</sup> day of April, 2022, in Chennai.

**Sd/-**  
(मनोज कुमार अग्रवाल)  
**(MANOJ KUMAR AGGARWAL)**  
लेखा सदस्य /**ACCOUNTANT MEMBER**

**Sd/-**  
(महावीर सिंह)  
**(MAHAVIR SINGH)**  
उपाध्यक्ष /**VICE PRESIDENT**

चेन्नई/Chennai,  
दिनांक/Dated: 08<sup>th</sup> April, 2022.  
**TLN**

आदेश की प्रतिलिपि □ ग्रेषित/**Copy to:**

1. □ पीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त (□ पील)/CIT(A)
4. आयकर आयुक्त/CIT
5. विभागीय प्रतिनिधि/DR
6. गार्ड फाईल/GF