

**आयकर अपीलीय अधिकरण, इंदौर न्यायपीठ, इंदौर**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**INDORE BENCH, INDORE**  
**BEFORE SHRI VIJAY PAL RAO, JUDICIAL MEMBER**  
**AND**  
**SHRI B.M. BIYANI, ACCOUNTANT MEMBER**

ITA No. 444/Ind/2023(AY: 2020-21)

ACIT, Circle 5(1), Bhopal	<b>बनाम/</b> Vs.	Madhya Pradesh Rajya Van Vikas Nigam, Bhopal (PAN:AACCM1081C)
(Revenue/Appellant)		(Assessee/Respondent)

**Cross-Objection No. 8/Ind/2024 (AY : 2020-21)**

Madhya Pradesh Rajya Van Vikas Nigam, Bhopal (PAN:AACCM1081C)	<b>बनाम/</b> Vs.	ACIT, Circle 5(1), Bhopal
(Assessee/Cross-Objector)		(Revenue/Respondent)

Revenue by	Shri Ram Kumar Yadav , CIT DR
Assessee by	Shri Anil Khabya, AR

Date of Hearing	02.09.2024
Date of Pronouncement	03.09.2024

**आदेश / O R D E R**

**Per B.M. Biyani, A.M.:**

Feeling aggrieved by appeal-order dated 15.09.2023 passed by Commissioner of Income-tax (Appeal)-NFAC, Delhi ["CIT(A)"] which in turn arises out of assessment-order dated 19.09.2022 passed by Assessment Unit, Income-tax Department ["AO"] u/s 143(3) r.w.s. 144B of the Income-tax Act, 1961 ["the Act"] for assessment-year ["AY"] 2020-21, the

revenue has filed captioned appeal and the assessee has filed captioned cross-objection.

2. Since these matters arise from same orders of lower-authorities, they were heard together and are being disposed of by this consolidated order for the sake of convenience, brevity and clarity.

3. The background facts leading to these matters are such that the assessee, a corporation of State Govt. engaged in the activity of forestry and agriculture, filed return of AY 2020-21 declaring a total income of Rs. 11,52,62,450/- which was subjected by AO to scrutiny-assessment through notices u/s 143(2)/142(1). Ultimately, the AO passed assessment-order u/s 143(3) after making an addition of Rs. 161,36,82,823/- on account of "lease rent payable to Govt. of Madhya Pradesh (GOMP) towards forest land" shown by assessee in Balance-Sheet. Aggrieved by order of AO, the assessee carried matter in first-appeal before CIT(A). During first-appeal, the CIT(A) deleted addition made by AO while adjudicating Ground No. 1 & 2 raised by assessee before him. However, the CIT(A) did not adjudicate Ground No. 3 terming the same as infructuous in view of relief granted to assessee in the matter of Ground No. 1 & 2. Now, both sides are aggrieved by the order of CIT(A) and have come in these cross-appeal/cross-objection on their respective claims.

***Revenue's appeal:***

4. Following ground is raised by revenue:

*"Whether on the facts and in the circumstances of the case of the case, the Ld. CIT(A) was justified in deleting addition made on account of profit of Government accounts term as lease rent amounting to Rs. 161,36,82,823/- despite the facts that NCA (National Commission on Agriculture ) evolved the formula for determining the lease rent allowable to the extent of only Rs. 63,67,826/-."*

5. Ld. DR very fairly and instantly, referring to the noting made by AO in Para 4.1 of assessment-order where the AO has himself mentioned that the CIT(A) and ITAT have deleted identical addition made in earlier years but still the addition has been made in current year since the departmental appeal is pending before Hon'ble High Court, submitted that the present appeal has been filed by revenue only to keep the issue alive. Faced with this situation, we find that the issue is recurring and the ITAT has already decided in earlier years against revenue and in favour of assessee and following the same view, the CIT(A) has reversed action of AO in current year and deleted the impugned addition made by AO. Therefore, we do not find any error in the impugned order of CIT(A). The impugned order is hereby upheld. The revenue's appeal is accordingly dismissed.

***Assessee's Cross-Objection:***

6. Following ground is raised by assessee:

*"That the Ld. CIT(A) erred in holding that ground no. 3 of appeal memo has become infructuous in view of relief granted in Ground No. 1 & 2. He ought to have decided the ground of appeal No. 3 after considering submissions of the assessee."*

7. Ld. AR for assessee submitted that the sum of Rs. 161,36,82,823/- considered by AO for making addition in fact included an opening balance of Rs. 91,93,49,871/- payable to GOMP which was a brought forward balance from earlier years. The AO has inadvertently made addition of entire amount of Rs. 161,36,82,823/- standing in Balance-Sheet of assessee without excluding the opening balance. Therefore, the assessee raised Ground No. 3 before CIT(A) but CIT(A) dismissed assessee's ground as infructuous by holding that full relief of Rs. 161,36,82,823/- had already been granted. Ld. AR submitted that the assessee wants that the assessment-order must be modified for exclusion of Rs. 91,93,49,871/- from addition otherwise when this matter of current year will reach to Hon'ble High Court, the assessee may face difficulty. Ld. AR submitted that the assessee has also filed a rectification-application dated 21.11.2022 to AO u/s 154, copy filed on record, for amendment of assessment-order but till now the AO has not taken any action. After discussion with Ld. Representatives of both sides, a consensus is arrived that this issue would be better resolved by AO by amending assessment-order. Therefore, we direct the AO to take action on the rectification-application filed by assessee and dispose of same within 3 months from the date of receipt of this order. The Cross-Objection of assessee is accordingly allowed.

8. Resultantly, revenue's appeal is dismissed and assessee's cross-objection is allowed for statistical purpose.

Order pronounced in open court on 03.09.2024

Sd/-  
(VIJAY PAL RAO)  
JUDICIAL MEMBER

sd/-  
(B.M. BIYANI)  
ACCOUNTANT MEMBER

**Indore**

दिनांक/ Dated :03.09.2024  
CPU/Sr. PS

Copies to: (1) The appellant  
(2) The respondent  
(3) CIT  
(4) CIT(A)  
(5) Departmental Representative  
(6) Guard File

By order  
Assistant Registrar  
Income Tax Appellate Tribunal  
Indore Bench, Indore