

IN THE INCOME TAX APPELLATE TRIBUNAL

"K (SMC)" BENCH, MUMBAI

BEFORE SHRI AMARJIT SINGH, ACCOUNTANT MEMBER

SHRI SANDEEP SINGH KARHAIL, JUDICIAL MEMBER

ITA No. 1933/MUM/2024

(Assessment Year : 2019-20)

Rajendra Shantaram Renose

204, Zahoor Palace, Sakivihar Road,
Andheri East,
Mumbai
PAN: AEFPR2720F

..... Appellant

v/s

Income Tax Officer,

Ward-41(1)(4),
Kautilya Building,
G Block BKC, Bandra,
Mumbai - 400051

..... Respondent

Assessee by : Shri Satish Kadam

Revenue by : Shri. Rajneesh Yadav (Sr.DR)

Date of Hearing – 09/09/2024

Date of Order 08/10/2024

ORDER

PER SANDEEP SINGH KARHAIL, J.M.

The present appeal has been filed by the assessee challenging the impugned order dated 12/03/2022 passed under section 250 of the Income Tax Act, 1961 (*"the Act"*) by the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi [*"learned CIT(A)"*], which

in turn arose from the intimation issued under section 143(1), for the assessment year 2019-20.

2. In this appeal, the assessee has raised the following grounds: -

"1. The Order of the Ld. CIT (A) has failed to delete addition doubly made by the Central Processing Centre. The Central Processing Centre has added twice the same income while processing the Return of Income of the Appellant. The Order of the Ld. CIT(A) is erroneous and fit to be cancelled.

2. The Appellant disclosed income of Rs.10,61,501/- as income from Business and Profession against total turnover of Rs.1,27,18,289/ - which is much more than 6% of prescribed limit u/s 44AD of the Income Tax Act. All transactions were made through Bank, hence Income to be declared @ 6% of the total turnover were acceptable.

3. The CPC erred in processing of Return filed by the Appellant and subsequently the Ld. CIT(A) also erred in not deleting the addition to the Appellant's income causing unnecessary tax burden on the Appellant. The order of the Ld. CIT(A) may kindly be cancelled and the CPC may kindly be directed to rectify the mistake accordingly.

4. The Appellant is not at fault and has disclosed income from Business and Profession accurately and honestly and as per provisions of Section 44AD of the Income Tax Act.

5. The Appellant's petition u/s. 154 of the Income Tax Act has also not been disposed off by the Assessing Officer until now.

6. The Ld. CIT (A) has dismissed the appeal on the basis of being this as infructuous which is wrong and fit to be cancelled by your honor.

7. Any other grounds may kindly be allowed to be urged at the time of hearing before your honor."

3. The solitary grievance of the assessee is that the Central Processing Centre ("CPC") while processing the return of the assessee has added twice the same income.

4. We have considered the submissions of both sides and perused the material available on record. The assessee is an individual and for the year under consideration, filed his original return of income showing a gross total income of Rs. 11,50,796 comprising of Rs. 65,298 as Income from House

Property, Rs.10,61,501 as Business Income and Rs. 23,997 as Income from other sources and claimed a refund of Rs. 15,560. As per the assessee, vide notice issued under section 139(9) of the Act the assessee was asked to furnish the profit and loss account, which was not provided with the return of income. Accordingly, the assessee uploaded the requisite details. As per the assessee, while processing its return vide intimation dated 25/02/2020 issued under section 143(1) of the Act, the CPC has taken business income as per the original return of income and also as per the profit and loss account, resulting in double addition and the taxable income of the assessee was inflated by Rs. 10,61,501. The learned CIT(A), vide impugned order, did not grant any relief to the assessee on the basis that the income reported by the assessee in his return has been accepted by the CPC. Further, the learned CIT(A) also suggested the assessee to file a rectification application under section 154 of the Act before the AO. During the hearing, the learned AR submitted that the rectification application was filed before the AO on 16/03/2020, however the same is still pending consideration.

5. Having considered the submissions and perused the material available on record, since the issue involved pertains to the correct determination of the taxable income of the assessee and in this regard, the assessee's rectification application under section 154 of the Act is already pending consideration, we deem it appropriate to remand this issue to the file of the Jurisdictional Assessing Officer for consideration after having regard to the submissions of the assessee and verification of the relevant material. We further direct that no order shall be passed without affording reasonable and

adequate opportunity of hearing to the assessee. With the above directions, the impugned order is set aside and the grounds raised by the assessee are allowed for statistical purposes.

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

Order pronounced in the open Court on 08/10/2024

Sd/-
(AMARJIT SINGH)
ACCOUNTANT MEMBER

Sd/-
(SANDEEP SINGH KARHAIL)
JUDICIAL MEMBER

MUMBAI, DATED: 08/10/2024
Prabhat