

IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE "A" BENCH : PUNE
BEFORE SHRI RAMA KANTA PANDA, VICE PRESIDENT
AND
MS. ASTHA CHANDRA, JUDICIAL MEMBER

I.T.A.No.1237/PUN./2024 [E-APPEAL]
Assessment Year 2018-2019

The Income Tax Officer, Ward-1, Near Tarakpur Bus Stand, Behind Mahesh Theater, AHMEDNAGAR. PIN – 414 001. Maharashtra.	vs.	Ahmednagar District Central Co-operative Bank Ltd., Station Road, AHMEDNAGAR. PIN – 414 001. PAN AAAAA1281G Maharashtra.
(Appellant)		(Respondent)

For Revenue :	Shri Amol Khairnar, CIT-DR
For Assessee :	Shri CH Naniwadekar

Date of Hearing :	27.11.2024
Date of Pronouncement :	05.12.2024

ORDER

PER RAMA KANTA PANDA, V.P. :

This appeal filed by the Revenue is directed against the order dated 30.03.2024 of the learned CIT(A)-NFAC, Delhi relating to assessment year 2018-2019.

2. Facts of the case, in brief, are that assessee is a District Central Cooperative Bank doing business of Banking. It filed its return of income on 31.10.2018 declaring total income at Rs.57,11,97,330/-. Subsequently, an addition of Rs.21,36,33,356/- was made u/sec.37 of the Income Tax Act [in short "the Act"] and the total income was determined at Rs.78,48,30,680/- thereby raising a demand of

Rs.9,55,00,610/- in the intimation passed u/sec.143(1) of the Act on 08.02.2020. Subsequently, the case was selected for limited scrutiny through CASS for the following issues :

- i. Claim of Any Other Amount Allowable as Deduction in Schedule BP.
- ii. Expenditure of Personal Nature.
- iii. Expenses incurred for Earning Exempt Income.

2.1. The Assessing Officer completed the assessment determining total income as computed in the intimation u/sec.143(1) of the Act dated 08.02.2020.

3. Before the Ld. CIT(A), it was submitted that Assessing Officer had made the addition of Rs.21,36,33,356/- on the basis of Audit Report submitted by the assessee through Form-3CD. However, the assessee claimed that income tax paid for the relevant assessment year was exempted and inadvertently debited by the Auditor under the head "Personal Expenses" at Sl.No.21/a/1 of Form-3CD.

3.1. Based on the arguments advanced by the assessee, the Ld. CIT(A), deleted the addition by observing as under :

"4.3. The appellant had submitted that the AO added Rs.21.36,33,356/- to total returned income u/s 37 of the Income-tax Act, 1961. He further submitted that auditor had inadvertently reported the above mentioned amount in

form 3CD, debited to P & L a/c had been shown which was not of any kind of expenditure of personal nature. It is apparent from the ITR-5, column number 38, computation of income and audit report under column 21/a/1 that income derived was inclusive of the disallowable expense of total income tax paid. However, during processing this amount had been added once again by the AO. On careful examination of the submission, submitted by the appellant during appeal proceedings, I find the grounds of the appellant genuine. Therefore, the Assessing Officer is hereby directed to re-verify the facts and rectify the mistakes and delete the addition of Rs.21,36,33,356/- Accordingly, the appeal of the appellant on this ground is allowed.”

4. Aggrieved with such order of the Ld. CIT(A), the Revenue is in appeal before the Tribunal by raising the following grounds :

- 1) *“Whether on the facts and in the circumstances of the case, the Ld. CIT(A) is justified in directing the AO to verify the facts and delete the addition of Rs.21,36,33,356/-.*
- 2) *Whether on the facts and in the circumstances of the case, the Ld. CIT(A) is justified in accepting the contention of the assessee that the auditor of the assessee had mistakenly and inadvertently debited Rs.21,36,33,356/- under the*

head personal expenses, without giving opportunity to the AO to verify it.

3) The appellant craves leave to add, alter, amend and modify any of the above or all grounds raised at time of proceedings before the Hon'ble Tribunal which may please be granted.”

5. The Learned DR supported the order of the Assessing Officer and submitted that the Ld. CIT(A) without giving any opportunity to the Assessing Officer to verify the issue, has deleted the addition which is not correct.

6. Learned Counsel for the Assessee, on the other hand, submitted that the assessee in it's return of income has already added the same to the total income of the assessee and therefore, again addition made by the CPC as well as the Assessing Officer is not justified since it amounts to double addition of the same amount.

7. After hearing both the sides, we find that the income determined by the assessee was inclusive of the disallowable expenses of income tax paid of Rs.21,36,33,356/- and this figure was very much available in the income tax return filed by the assessee which the Ld. CIT(A) has reproduced in his order. This, in our opinion, does not call for any verification from the Assessing Officer which the Revenue is now seeking. Since the amount is already reflected in the

return of income as an addition to the total income of the assessee and the same was very much available before the Assessing Officer, therefore, we do not find any infirmity in the order of the Ld. CIT(A) deleting the addition. The grounds raised by the Revenue is nothing but to prolong the litigation process which in our opinion is not required in the given facts of the present case. Accordingly, the order of the Ld. CIT(A) is upheld and the grounds raised by the Revenue are dismissed.

8. In the result, appeal of the Revenue is dismissed.

Order pronounced in the open Court on 05.12.2024.

Sd/-
[MS. ASTHA CHANDRA]
JUDICIAL MEMBER

Sd/-
[RAMA KANTA PANDA]
VICE PRESIDENT

Pune, Dated 05th December, 2024

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	The CIT(A), Pune-11, Pune.
4.	The Pr. CIT, Pune concerned
5.	D.R. ITAT, "A" Bench, Pune.
6.	Guard File.

//By Order//

//True Copy //

Sr. Private Secretary, ITAT, Pune Benches,
Pune.