

**IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH : BANGALORE**

**BEFORE SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA No.266/Bang/2025
Assessment Year : 2020-21

Natural Remedies Pvt. Ltd., Plot No.5-B,Veerasandra Industrial Area, Bangalore – 560 100, Karnataka. PAN : AAACN 6990 M	Vs.	DCIT, Circle – 5(1)(1), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Shri. Sandeep Chalapathy, CA
Revenue by	:	Shri. Ashwin D Gowda, Addl. CIT(DR)(ITAT), Bangalore.

Date of hearing	:	31.07.2025
Date of Pronouncement	:	31.07.2025

ORDER

Per Laxmi Prasad Sahu, Accountant Member :

This is an appeal filed by the assessee against CIT(A)’s Order vide DIN & Order No: ITBA/APL/S/250/2024-25/107097953(1) dated 06.12.2024, on the following grounds of appeal :

1. *That the order of the learned Commissioner of Income Tax (Appeals) in so far it is prejudicial to the interests of the Appellant is bad and erroneous in law and against the facts and circumstances of the case.*
2. *That the learned Commissioner of Income Tax (Appeals) ought to have held that the intimation u/s. 143(1) is bad in law for not giving an opportunity as per proviso to section 143(1) of the Act before issuing the intimation u/s. 143(1) by making a disallowance.*
3. *That the learned Commissioner of Income Tax (Appeals) erred in law and facts in confirming the disallowance u/s 43B of the Act made by*

the learned assessing officer despite the appellant agreed that the sum of disallowance was incorrectly reported in the ITR filed.

4. *That the learned lower officer ought to have restricted the disallowance only to the extent of Rs. 46,03,832/- under section 43B of the Act.*
5. *That the learned assessing officer erred in law and on facts in disallowing interest of Rs. 93,696/- paid to financial institutions.*
6. *Without prejudice to the above grounds, that the learned Commissioner of Income Tax (Appeals) ought to have exercised his powers of co-terminous to the assessing officer and verified the claim of the appellant.*
7. *Each of the above grounds is without prejudice to one another and the appellant craves leave of the Hon'ble Income Tax Appellate Tribunal, Bangalore to add, delete, amend or otherwise modify one or more of the above grounds either before or at the time of hearing of this appeal.*

2. At the outset of hearing, the learned Counsel did not press ground No.2. Therefore, this ground is dismissed as not pressed.

3. Briefly stated the facts of the case are that assessee filed return of income declaring income of Rs.27,86,84,190/- and return was filed on 18.02.2021. The return was processed on 26.12.2021. The CPC made some adjustments. Before making adjustment, the CPC gave information which is placed at Paper Book Page No.138 regarding adjustment. After processing of return, the CPC raised demand of Rs.4,12,21,806/- against which the assessee filed appeal before the learned CIT(A) and he filed detailed written submissions which were considered. Assessee filed return under section 139 of the Act also.

4. Aggrieved from the above Order, assessee filed appeal before the CIT(A). The CIT(A) after examining the submissions observed that in the income tax return, the appellant had claimed Rs.4,91,08,322/- as payment to employees towards bonus / Commission and Rs.93,696/- as interest on loan to Schedule Bank

under section 43B of the Act on payment basis at Sl.No.10(c) and s10(e) of SCHEDULE PART A-OI OTHER INFORMATION respectively. From the detailed submissions, the learned CIT(A) was not satisfied and he confirmed the addition made under section 43B of the Act by the CPC and dismissed the appeal of the assessee.

5. Aggrieved from the above Order, assessee filed appeal before the Tribunal. The learned AR submitted that during the filing of income tax return, written information was submitted. It caused making of addition under section 43B of the Act towards payment of bonus and he submitted that detailed written submissions was made before the CIT(A) but he has not considered the reconciliation and requested that if a further chance is given to the assessee, assessee will file the details / reconciliation towards disallowance made by the CPC.

6. On the other hand, learned DR relied on the Order of the lower authorities.

7. Considering the rival submissions, we noted that there is disallowance under section 43B of the Act while processing the return under section 143(1) of the Act and the detailed written submission was made before the CIT(A) but the learned CIT(A) has not considered properly. Therefore, considering the facts and circumstances of the case and in the interest of justice, we are remitting this issue back to the file of the AO. The JAO is directed to decide the issue as per law after giving reasonable opportunity of being heard to the assessee and assessee is directed to substantiate its case with documentary evidence and not to seek unnecessary adjudication for early disposal of the case. In case of failure, no second leniency shall be granted to the assessee.

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

Pronounced in the open court on the date mentioned on the caption page.

Sd/-

(KESHAV DUBEY)
Judicial Member

Bangalore.

Dated: 31.07.2025.

/NS/*

Sd/-

(LAXMI PRASAD SAHU)
Accountant Member

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|---------------|------------------------|
| 1. Appellants | 2. Respondent |
| 3. DRP | 4. CIT |
| 5. CIT(A) | 6. DR,ITAT, Bangalore. |
| 7. Guard file | |

By order

Assistant Registrar,
ITAT, Bangalore.