

आयकर अपीलीय अधिकरण, रायपुर न्यायपीठ, रायपुर
IN THE INCOME TAX APPELLATE TRIBUNAL RAIPUR BENCH, RAIPUR
श्री पार्थ सारथी चौधरी, न्यायिक सदस्य एवं श्री अरुण खोड़पिया, लेखा सदस्य के समक्ष ।
BEFORE SHRI PARTHA SARATHI CHAUDHURY, JM & SHRI ARUN KHODPIA, AM

आयकर अपील सं. / ITA No: 1/RPR/2025
(निर्धारण वर्ष Assessment Year: 2014-15)

Deputy Commissioner of Income Tax-1(1), 32/32 Bunglow, Bhilai, Distt. Durg-490006, Chhattisgarh	v s	Jila Sahakari Kendriya Bank Maryadit, G. E. Road, Head Office, Near Law College, District- Rajnandgaon- 491441, C.G.
PAN: AAALJ0060B		
(अपीलार्थी/Appellant)	.	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से / Assessee by	:	Shri Rakesh Dhody, CA
राजस्व की ओर से / Revenue by	:	Shri Raghunath, CIT-DR
सुनवाई की तारीख / Date of Hearing	:	08.10.2025
घोषणा की तारीख / Date of Pronouncement	:	08.10.2025

आदेश / ORDER

Per Arun Khodpia, AM:

The captioned appeal is filed by the revenue against the order of Commissioner of Income Tax (Appeal), NFAC, Delhi, [in short "Ld. CIT(A)"] dated 21.10.2024, passed under section 250 of the Income Tax Act, 1961 (in short "the Act") for the Assessment Year 2014-15, which in turn arises from the assessment order dated 28.09.2021 passed u/s 147 r.w.s. 144 of the Act by Assessment Unit, Income Tax Department, NFAC, Delhi (in short "Ld. AO").

- 2.** The grounds of appeal raised by the revenue are as under:
1. *Whether on the facts and in the circumstances of the case, the Id. CIT(A) was justified in deleting the addition of Rs. 17,00,00,000/- made by the AO on account of wrong claim of deduction of provision for bad/doubtful debt?*
 2. *The order of Id. CIT(A) is not accordance with laws and facts of the case.*
 3. *Any other ground which may be adduced at the time of hearing.*

3. Brief facts of the case are that the assessee is a Co-operative Society, had filed its return of income for the assessment year 2014-15 showing total income of Rs. 9,62,69,540/-, which was undergone through the process of scrutiny assessment u/s 143(3) of the Act vide order 30.12.2016 of the Act, thereby, the income was assessed at Rs. 12,70,69,765/-. The case of assessee thereafter was reopened as certain observations had emerged on verification of the records of assessee. The reassessment proceedings were completed with further additions to the income assessed u/s 143(3) with regard to (i) Addition for double claim of deduction for Provision for Bad Debts amounting to Rs. 17,00,00,000/-, (ii) Disallowance of Provision made for contribution to Society Cadre Fund for Rs. 1,50,00,000/- claim u/s 37 of the Act, and (iii) Disallowance of expenditure u/s 36(1)(va) of Rs. 26,72, 958/-. With the said additions/ disallowance, total assessed income of the assessee has been worked out at Rs.31,47,42,720/-.

4. Aggrieved with the aforesaid addition / disallowance, assessee preferred an appeal before the First Appellate Authority, wherein the additions of Rs.17,00,00,000/- on account of Provision for Bad and Doubtful Debts has been deleted by the Ld. CIT(A) with the following observations:

6. Ground No. 1: In this ground the appellant has contested the addition of Rs. 17,00,00,000/- made by the Ld. AO on account of disallowance of bad debt provision debited twice.

6.1 The submission uploaded by the appellant is reproduced in para 5 above.

*6.2 I have perused the assessment order, grounds of appeal and submission of the appellant carefully. The appellant contended that the it has not claimed the deduction twice but the amount of 21.64 crores was already added back in the computation of income which includes the provision of bad debts Rs. 17,00,00,000/- . I have verified the contention of the appellant from the return of income and found that an amount of Rs. 21,66,46,812/- is added back as per column No. 24 under schedule BP(A). Thus the contention of the appellant is found to be correct. Hence the addition made by the AO of Rs. 17,00,00,000/- is hereby deleted and the ground of appeal raised by the **appellant is allowed.***

5. Since aforesaid relief was granted to the assessee by Ld. CIT(A), being aggrieved, the revenue had filed the instant appeal before us, raising contention as per grounds of appeal extracted hereinabove.

6. At the outset, Ld. CIT-DR representing the revenue vehemently supported the order of Ld. AO and requested to restore the addition deleted by the First Appellate Authority.

7. Per Contra, Ld. AR representing the assessee submitted that Rs. 17,00,00,000/- on account of bad and doubtful debts was *suomoto* added back by the assessee while computing the total income for the relevant year. Ld. AR drew our attention to the copy of return filed by the assessee showing schedule-BP Column No. 24 wherein the assessee itself has *suomoto* added the amount of Rs. 21.66 Cr., which includes any other income not included in P/L account/ any other expense not allowable, consisting therein provision for Bad and Doubtful debts amounting to Rs.17.00 Crores. Whereas in Schedule-BP Column No. 3 clause 3c under the head *Income / Receipts credited into P/L Account considered under other heads of income*, the assessee had claimed the amount of provision under dispute. It is observed by Ld. CIT(A) in his findings that the assessee had already added back the amount of Rs. 21.64 Crore in its taxable income, which includes an amount of Rs. 17,00,00,000/- regarding provisions of bad and doubtful debts, therefore, if the same is added back to the income of assessee again, it would be double addition in the hands of assessee, accordingly the additions made by the Ld. AO was found to be under misreading of the facts, thus, the same cannot be sustained.

8. We have considered the rival submissions, and perused the material available on record, including the verification of facts and documents on record. We found that the assessee had added the amount of provisions of bad and doubtful debts for Rs.17,00,00,000/- to its taxable income in computation for the relevant year, therefore, it was just a misconception of Ld. AO that assessee had claimed such amount twice first in P&L and thereafter in computation. Such misunderstanding of Ld. AO was correctly observed by Ld. CIT(A) after verifying the facts from records and has therefore rightly deleted the addition. We find substance in the finding of Ld. CIT(A) that the assessee had added back the amount on provisions of bad and doubtful debts to the net income emerging from P&L Account, therefore, the claim of assessee for such amount was only one time, which is allowable under the provisions of Act. The aforesaid fact that the assessee had claimed the deduction of provisions for bad and doubtful debts only once in computation after adding the same back to the profit emerging from P/L account has been verified by us which the Ld. CIT-DR representing the revenue has also fairly conceded. This shows that there is no infirmity in the findings of Ld. CIT(A) in deleting the addition on account of provisions of bad and doubtful debts, so we concur with the same. Consequently, the sole contention raised by the revenue in the present appeal stands dismissed.

9. Resultantly, the present appeal of revenue stands **dismissed**, in terms of our aforesaid observations.

Order pronounced in the open court on 08/10/2025.

Sd/-
(PARTHA SARATHI CHAUDHURY)
न्यायिक सदस्य / JUDICIAL MEMBER

Sd/-
(ARUN KHODPIA)
लेखा सदस्य / ACCOUNTANT MEMBER

रायपुर / Raipur; दिनांक Dated 08/10/2025
Vaibhav Shrivastav

आदेशकी प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी/ The Appellant- DCIT, Bhilai
2. प्रत्यर्थी/ The Respondent- Jila Sahakari Kendriya Bank Maryadit, Rajnandgaon
3. The Pr. CIT, Raipur (C.G.)
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, रायपुर/ DR, ITAT, Raipur
5. गार्ड फाईल / Guard file.

// सत्यापित प्रति True copy //

आदेशानुसार/ BY ORDER,

(Senior Private Secretary)
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur