

**IN THE INCOME TAX APPELLATE TRIBUNAL "PATNA" BENCH, PATNA**

**BEFORE SHRI DUVVURU RL REDDY, VP  
AND  
SHRI RAJESH KUMAR, AM**

**ITA No. 271/PAT/2025  
(Assessment Year: 2017-18)**

**Bihar State Tourism  
Development corporation Ltd.**  
Hotel Kautilya vihar, Beer Chand  
patel marg, R Block,  
patna-800001, Bihar

**Vs.**

**DCIT/ ACIT Circle-2  
Patna-800001, Bihar**

**(Appellant)**

**(Respondent)**

**PAN No. AABCB4886D**

**Assessee by** : Shri Ratendra Kumar, AR  
**Revenue by** : Shri Ashwani Kr. Singal, DR

**Date of hearing:** 27.11.2025  
**Date of pronouncement:** 09.12.2025

**ORDER**

**Per Rajesh Kumar, AM:**

This is an appeal preferred by the assessee against the order of the National Faceless Appeal Centre, Delhi (hereinafter referred to as the "Ld. CIT(A)") dated 03.04.2025 for the AY 2017-18.

2. The issue raised in ground no.1 is against the order of learned CIT (A) confirming the addition of ₹58,35,063/-, which was made by the learned Assessing Officer in respect of provision for gratuity.

2.1. After hearing the rival contentions and perusing the materials available on record, we find that the learned Assessing Officer during the course of assessment proceedings noted from the tax audit report in form No.3CD vide point number 21(e) that provision for gratuity

were not allowable under Section 40A(7) of the Act as been reported by the tax auditor at ₹98,23,310/- being debited to the Profit and Loss account, whereas the same represented the total amount outstanding as per the balance sheet in the said account. The assessee submitted that the actual gratuity paid during the year was ₹39,88,247/-, which is not the provisions for gratuity but actual payment by the assessee and the said amount was suo moto disallowed by the assessee and added to the total income of the assessee while filing the return of income. The learned Assessing Officer accordingly, held that the difference between the amount reported by the auditor in the tax audit report and claimed by the assessee in the Profit and Loss account was required to be added which comes to ₹58,35,063/- and the same was disallowed and added to the income,

2.2. In the appellate proceedings, the learned CIT (A) confirmed the addition.

2.3. We note that this is a factual mistake on the part of the tax auditor in the tax audit report which was revised and corrected subsequently. However, we find that the issue needs to be examined at the level of the learned Assessing Officer so that the correct amount could be ascertained and disallowed. Needless to say that if the assessee has suo moto disallowed the amount of ₹39,88,247/- while filing the return of income and there is mistake in the tax audit report then the addition of ₹58,35,063/- has to be deleted. With this observation, we set aside the issue to the file of the learned Assessing Officer with a direction to decide the same after affording reasonable opportunity of being heard to the assessee. The ground no. 1 is allowed for statistical purpose.

3. The issue raised in ground no.2 is against the confirmation of addition of interest of ₹14,99,000/-, by the learned CIT (A) as made by the learned Assessing Officer on account of disallowance of interest on EPF and TDS.

3.1. The facts in brief are that during the year the assessee paid interest on EPF of ₹11,98,185/- and interest on TDS of ₹3,00,815/-. According to the learned Assessing Officer the said interest is penal in nature and therefore, not allowable. In our considered view the said interest is not penal in nature and is allowable expenses when paid in computing the income of the assessee. Accordingly, we set aside the order of learned CIT (A) and direct the learned Assessing Officer to delete the addition. The ground no. 2 is allowed.

4. The issue raised in ground no.3 is against the order of learned CIT (A) confirming the addition of ₹14,02,544/- in respect of bonus paid, whereas as a matter of fact the said amount was paid before the due date of filing the return of income. In case of bonus is paid before the due date of filing the return, the same is admissible expenses and has to be allowed. However, the issue required to be verified at the end of the learned Assessing Officer and therefore, we restore this to the file of the learned Assessing Officer to verify the payments made on account of bonus outstanding before the due date of filing the return of income ,then the same has to be allowed as deduction. With this observation, we restore the issue to the file of the learned Assessing Officer to decide the same in the light of the aforesaid observations. The ground no. 3 is allowed for statistical purpose.

5. The issue raised in ground no.4 is against the confirmation of addition of ₹39,88,247/- by the learned CIT (A), which was not claimed in the return of income in respect of premium payable to LIC for

superannuation benefits. Since this has not been verified by the learned Assessing Officer and not claimed in the return of income and the Id. CIT (A) has also disallowed the same, we therefore, restore the same to the file of the learned Assessing Officer to examine and decide the same in accordance with law. The ground no .4 is allowed for statistical purpose.

6. The issue raised in ground no.5 is against the conformation of addition of ₹1,41,867/-, as made by the learned Assessing Officer on account of prior period expenses.

6.1. After hearing the rival contentions and perusing the materials available on record including the evidences in support of these evidences, we find that these are not the prior period expenses but in fact the expenses which crystalized during the year and related to the current financial year. Accordingly, the order of learned CIT (A) is set aside on this issue and the learned Assessing Officer is directed to delete the disallowance. The ground no. 5 is allowed.

7. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 09.12.2025.

Sd/-  
(DUVVURU RL REDDY)  
(VICE PRESIDENT)

Sd/-  
(RAJESH KUMAR)  
(ACCOUNTANT MEMBER)

Patna, Dated: 09.12.2025

*Sudip Sarkar, Sr.PS*



Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar  
Income Tax Appellate Tribunal, Patna