

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
MUMBAI BENCH "C", MUMBAI**

**BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER  
And  
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**

**ITA No.6563/M/2025  
Assessment Year: 2018-19**

<b>Parekh Marketing Limited,</b> 2 <sup>nd</sup> Floor, Mafatlal House, Backbay, Reclamation, Mumbai - 400020. <b>PAN – AAACP7917J</b>	Vs.	<b>Deputy Commissioner of Income-tax Circle 1(2)(1),</b> Room No.535, 5 <sup>th</sup> Floor, Aaykar Bhavan, Mumbai – 400020.
(Appellant)		(Respondent)

**Present for:**

Assessee by : Shri Deepak Jain, Ld. A.R.  
Revenue by : Shri R A Dhyani, (CIT D.R.)

Date of Hearing : 23.12.2025  
Date of Pronouncement : 22.01.2026

**O R D E R**

**Per : Narender Kumar Choudhry, Judicial Member:**

This appeal has been preferred by the Assessee against the order dated 20.08.2025, impugned herein, passed by the Ld. Commissioner of Income Tax (Appeals) (in short Ld. Commissioner) u/s 250 of the Income Tax Act, 1961 (in short 'the Act') for the A.Y. 2018-19.

2. In this case, the Assessee during the year under consideration being a company derives income from business and profession, house property and capital gains has declared its total income of Rs.33,37,07,913/- by filing its return of income on 21.11.2018 which was processed by the CPC vide intimation dated 29.05.2020 under Section 143 (1) of the Act, making certain

adjustments/raising tax payable over and above the returned income / tax payable. For ready reference, the observations made by the CPC, read as under:

(ii) Incorrect Claim u/s 143(1)(a)(ii)					
Sl. No	Schedule	Error Description	Amount in Income Tax Return	Amount as computed	Variance
1	Schedule BP	In Schedule BP, Row no A33 "Income receipt credited to profit and loss account considered under other heads of income-Other Source value is more than the SUM of row no. 1(a)1(b),1(c),1(d) and 3(a) in Other source Schedule	99839114	0	99839114
2	Schedule MAT	In Schedule MAT there is an inconsistency in the computation of Book profit from the amounts mentioned in Part A P and Laccount.	333707913	336802028	3094115
3	Schedule BP	In Schedule BP 39. Net Profit or loss from business or profession other than	42581249	142432813	99851564

		speculative business and specified business, after applying rule 7A, 7B or 8). If applicable (if rule 7A, 78 or 8 is not applicable, enter same figure as in 38) (If loss take the figure to 2i of item E), are inconsistent.			
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3. The Assessee being aggrieved challenged the intimation dated 29.05.2020 by filing a rectification application before the CPC on dated 04.05.2022. The CPC vide order dated 12.05.2022 under Section 154 made no rectification and reiterated the intimation dated 29.05.2020. Thus, the Assessee being aggrieved challenged the said rectification order dated 12.05.2022 under Section 154 of the Act, by filing first appeal before the Ld. Commissioner. The Assessee before the Ld. Commissioner raised mainly three issues such as:

- (i) not reducing the provision of earlier year written back from the business income of Rs.9,98,39,114/-.
- (ii) disallowance on account of earlier payment of contribution received from employees for various funds under Section 36 (1) (va) of the Act.
- (iii) adjustments made while computing book profit under Section 115 JB of the Act.
- (iv) non-granting of foreign tax credit to the tune of Rs.7,17,543/-

4. The Ld. Commissioner vide impugned order though allowed the claim of the Assessee with regard to the foreign tax credit, however affirmed the remaining disallowances/additions qua not reducing the provision of earlier year written back from the business income, disallowance on account of delayed payment of contribution received from the employees for various funds under Section 36 (1) (va) of the Act and adjustment made while computing book profit under Section 45 JB of the Act.

5. Thus, the Assessee being aggrieved is in appeal before this Court, just on the two issues, **firstly** not reducing the provision of earlier year written back from the business income. **Secondly**, adjustment made while computing book profit under Section 115 JB of the Act. We observe from the impugned order that the Ld.

Commissioner has observed that at Clause A (33) of Schedule BP of the ITR, the Assessee has reported an amount of Rs.9,98,39,114/- as not allowable as deduction but the said amount was not added back to the total income, while computing taxable income in the return and therefore, the CPC added back this amount in the intimation under Section 143 (1) of the Act.

6. On the other hand, the Assessee has claimed that this amount was considered as provision for diminution in value of investment and advances for the period corresponding to AY 2008-09 and disallowed while computing taxable income in that year. The provision of earlier year was reversed and written back to the profit and loss account of this year i.e. AY 2018-19. While computing the total income, the Assessee has reduced the said amount from the business income, as it was not claimed as deduction in the AY 2008-09.

7. The Ld. Commissioner by considering the aforesaid observation of the CPC and the claim made by the Assessee held that in this regard the details related to such reversal of provision pertaining to earlier year, during the relevant year was not provided in the ITR and therefore, CPC was justified in adding back the amount, since this was reported as provisions debited to profit and loss account and by Assessee's own admission [clause A (33) of Schedule BP] was not allowable. **Thus, the Ld. Commissioner on the aforesaid aspects affirmed the adjustments made by the CPC under Sub-clause (ii) of Section 143 (1) (a) of the Act.**

8. We have given thoughtful consideration to the peculiar facts and circumstances of the case. The Assessee before us has claimed that it has duly filed all the relevant documents before the Ld. Commissioner including reversal of the provisions pertaining to

earlier year, as filed before this Hon'ble Court. We observe from the e-proceedings response acknowledgment {Page Nos. 1 and 2 of paper book filed by the Assessee}, the Assessee not only filed the written submissions but also filed various documents in respect to its claims and / or issues raised before the Ld. Commissioner. It appears that the Ld. Commissioner may be inadvertently or overlooking the details filed by the Assessee for reversal of the provision pertaining to earlier year, failed to adjudicate the issue by observing that the details related to such reversal was not provided in the ITR, whereas, the Assessee before us demonstrated contrary.

Thus, considering the aforesaid peculiar facts and circumstances, as the issue also remained to be examined in its right perspective and proper manner, specifically on non-consideration of the relevant documents, which were though made available before the Ld. Commissioner, however skipped his attention may be inadvertently or otherwise, hence, we are of the considered opinion that for just and proper decision of the case and substantial justice, it would be appropriate, if the issue be examined afresh upon verification of the documents filed before the Ld. Commissioner earlier, which the Assessee undertakes to file again before the Ld. Commissioner, in due course of time, if the opportunity be given as prayed for by the Assessee. **Thus, the issue is remitted to the file of the Ld. Commissioner for decision afresh in the aforesaid terms.**

9. Coming to the **second aspect/issue** qua adjustment while computing book profit under Section 115 JB of the Act and prior year tax adjustment, in view of the above, **this issue is also remanded as prayed for by the parties to the file of the Ld. Commissioner for decision afresh.**

10. In view of the above, the case is remanded to the file of the Ld. Commissioner for decision afresh on the two issues involved in this appeal as analyzed above, in the above terms.

11. In the result, Assessee's appeal is allowed for statistical purposes.

**Order pronounced in the open court on 22.01.2026.**

**Sd/-  
(BIJAYANANDA PRUSETH)  
ACCOUNTANT MEMBER**

**Sd/-  
(NARENDER KUMAR CHOUDHRY)  
JUDICIAL MEMBER**

Tarun Kushwaha  
Sr. Private Secretary.

Copy to: The Appellant  
The Respondent  
The CIT, Concerned, Mumbai  
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.