

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
AGRA BENCH, AGRA**

**BEFORE : SHRI M. BALAGANESH, ACCOUNTANT MEMBER  
AND  
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER**

**ITA No. 455/Agr/2025  
Assessment Year : 2018-19**

Income Tax Officer Radhika Vihar, Mathura - 281 001	V	Mathura Zila Sahakari Bank Ltd. NauGheel, Bajana Road, Mathura - 281 203
<b>PAN : AADAM1090J</b>		
(Appellant)		(Respondent)

Assessee by	Shri Ankur Agarwal, C.A.
Department by	Shri Anil Kumar, Sr. DR

Date of hearing	21/01/2026
Date of pronouncement	20/02/2026

**ORDER**

**PER SUNIL KUMAR SINGH, JUDICIAL MEMBER**

This appeal has been preferred against the impugned order dated 10.07.2025 passed in Appeal No. NFAC/2017-18/10227031 by the Ld. Commissioner of Income– tax(Appeals)/ National Faceless Appeal Centre (NFAC) [hereinafter referred to as the “CIT(A)”] u/s. 250 of the Income tax Act, 1961 [hereinafter referred to as "Act"] for the Assessment year [A.Y.] 2018-19, wherein learned CIT(A) has allowed assessee’s first appeal and deleted the additions made by the assessing officer.

2. The brief facts under appeal state that the appellant assessee is/was engaged in the banking business as branch of M/S. Mathura Zila Sahakari Bank Ltd.. Appellant assessee did not file its return of income for the year under consideration. The assessing officer received an information that the appellant had credited cash amount of Rs. 1,05,00,000/- and Rs. 1,15,10,000/- into his bank account held with Syndicate Bank and State Bank of India respectively. The AO further, observed the appellant had also made cash withdrawals of Rs. 11,20,000/- from State Bank of India Account and Rs. 10,00,000/- from Syndicate Bank Account during the year

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under consideration. The case was reopened u/s 147 of the Act, and notice u/s 148 was issued on 26.03.2022. The appellant did not file its return of Income in response thereof. Statutory notices were issued with the questionnaire. Appellant assessee submitted that the Naugheel, is a Branch of M/S Mathura Zila Sahakari Bank Ltd.(AABTM9083G). Assessee is a banking society registered under societies registration Act, 1965. Appellant did not file any separate income tax return. Statutory audit and tax audit was performed on consolidated basis for all 18 branches at head office level. It was further submitted by the assessee that the head office had initiated the process of surrendering the PAN Cards of the branches, wherever separate PANs were taken. Assessee submitted copy of computation of income, balance sheet, profit and loss account and tax audit report of M/S Mathura Zila Sahakari Bank Ltd. during the assessment proceedings. However, Ld. AO was not satisfied with the details submitted by the assessee and rejected appellant submissions and determined total income at Rs. 2,89,68,996/-.

3. Aggrieved, assessee preferred 1<sup>st</sup> appeal before learned CIT(A), who allowed assessee's first appeal and deleted addition made by the assessing officer.

4. Revenue has filed this second appeal on the sole ground that the learned CIT(A) has erred in deleting the said addition of Rs. 2,89,68,996/- by accepting assessee's additional document in the form of copy of acknowledgement of letter with regard to surrendering of PAN Cards without providing opportunity to AO under Rule 46A of the Income Tax Rules, 1962.

5. We have perused the records. Heard learned representatives for the appellant revenue and Ld. AR for the respondent assessee.

6. The main point for determination under appeal is as to whether Ld. CIT(A) has erred in admitting the acknowledgment of letter with regard to surrendering of said PAN card (additional evidence) without affording an opportunity to AO in view of Rule 46A of Income Tax Rule, 1962.

7. Learned DR for the appellant revenue has submitted that assessee did not file the said acknowledgment of letter with regard to surrendering of PAN Card before the assessing officer. Ld. CIT (A) has passed the impugned order without providing opportunity to AO in violation of said Rule 46A. Prayed to allow the appeal.

8. Learned representative for the respondent assessee has submitted that the Ld. CIT(A) has rightly passed the impugned order as the said information was already available with the department. Prayed to dismiss revenue's appeal.

9. It is pertinent to mention that the revenue has raised the only technical ground stated hereinabove in this appeal. The relevant Paras 5.1 to 5.3 of the impugned order dated 10.07.2025 passed by the first appellate authority read as under:

“5.1 The ground of appeal, statement of facts, submissions of the appellant and the order passed by the AO have been perused. It is seen that the AO received information that the appellant had credited aggregate cash amount Rs. 1,05,00,000/- and Rs. 1,15,10,000/- into his bank accounts held with Syndicate Bank and State Bank of India respectively during the year under consideration. Further, the AO observed that the appellant had also made cash withdrawals of Rs. 11,20,000/- from State Bank of India account and Rs. 10,00,000/- from Syndicate Bank account during the year under consideration. It is found by the AO that the appellant did not file return of income for the year under consideration. Accordingly, the AO reopened the case of the appellant u/s, 147 by issuing notice u/s 148 of the Act on 26.03.2022. the appellant did not file its return of income in response to the notice issued u/s 148 of the Act. Thereafter, the AO issued statutory notices u/s 142(1) of the Act on various dates along with questionnaire. In response, the appellant made the submissions before the AO, which is reproduced as under:

In response to the notice, the assessee vide its reply dated 11.12.2022 and 07.02.2023 has submitted that the Naugheel is a Branch of M/s Mathura Zila Sahkari Bank Limited (AABTM9083G) and did not file any separate income tax return. Statutory Audit and Tax Audit has performed on consolidated basis for all eighteen branches at Head Office level. It is also stated by the assessee that Head office has initiated the process of surrendering the PAN Cards of the branches, wherever separate PAN are taken. The assessee has also submitted that the assessee is a Banking society involved in the banking activities as per the direction of NABARD/RBI/APEX Bank and also registered under the societies registration Act 1965. The bank working for financial literacy of farmers as our major portions of advances are crop loans distributed through PACS.

5.1.1 In support of its claim, the appellant has submitted copy of the computation of income, Balance Sheet, Profit and Loss Account and Tax audit Report of M/s Mathura Zila Sahkari Bank Limited before the AO during the

assessment proceedings. The AO rejected the appellant's submissions by holding as under:

All the details submitted by the assessee during the assessment proceedings has been considered but not found acceptable as the assessee has not furnished any documentary evidences to substantiate its claim that the bank account No.85343070000015 held with Syndicate Bank limited and account No. 11742067119 held with state bank of India has fully disclosed in the return of income filed for A.Y. 2018-19 of M/s Mathura Zila Sahkari Bank Limited (Head office). Further, the assessee has also not furnished any evidences i.e., copy of letter, submitted before the Department regarding surrendering the PAN Cards of the branches as mentioned in their above mentioned submission. In absence of the above mentioned details, the claim of the assessee that all the transactions have been reflected in the books of accounts of the M/s Mathura Zila Sahkari Bank Limited (Head office) cannot be accepted at all. It is also pertinent to note that all the information available with the Department are still reflected under the PAN of the M/s Mathura Zila Sahkari Bank Limited, Naugheel branch (AADA1090J). (Pan mentioned in Form-35 is AADAM1090J)

5.2 The appellant has made the submissions which have been quoted above. The appellant has submitted that it is a Banking Branch of Mathura Zila Sahakri Bank limited, a District Cooperative Bank (DCB), licensed by the Reserve Bank of India. The appellant further submitted that DCB Mathura (AABTM9083G) is operating with its eighteen branches in Mathura district of Uttar Pradesh. The appellant submitted that Income Tax Department had initiated assessment proceedings against the four Branches of DCB Mathura for AY 2018-19, i.e. Baldeo (AADAM1081H). Bisawar (AADAM1083F), Naugheel (AADAM1090J) and Sadabad (AADAM1084C). The appellant also submitted that the reason behind the initiation of assessment proceedings was that all the four branches were having their separate PAN cards but no statutory/legal compliances has been done against these PAN Cards of branches. It is also submitted by the appellant that Mathura Zila Sahakari Bank limited (DCB MATHURA) is doing the statutory/legal filings on consolidated basis for the all their eighteen branches and head office against the PAN No. AABTM9083G Further, the appellant submitted that proceedings against the remaining three branches, i.e. Baldeo

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(AADAM1081H), Bisaawr (AADAM1083F), and Sadabad (AADAM1084C) have been dropped on the same grounds by their respective AOs that all the figures under questionnaire included in the consolidated financial statements of Mathura Zila Sahkari Bank limited (AABTM9083G). The appellant has submitted the copies of assessment orders of these branches in support of its claim. Further, the appellant submitted that Mathura Zilla Sahakari Bank Ltd. has initiated the process of surrendering PAN cards of all eighteen branches including appellant Branch. The appellant also filed the acknowledgment of Surrendering PAN Cards for your reference.

5.3 On going through the submissions made by the appellant, it is seen that the appellant is banking branch of Mathura Zilla Sahakari Bank Ltd. and is not a separate entity. Further, Mathura Zilla Sahakari Bank Ltd. is doing all the legal / statutory filings on consolidated basis. Also, the appellant has filed the copies of assessment orders of other branches and also filed copy of acknowledgment of letter with regard to surrendering of PAN cards. Ongoing through the assessment orders, it is seen that the proceedings have been dropped in the cases of other branches and contentions have been accepted by the respective AOs. In view of the above facts and circumstances, the AO is directed to delete the addition made. Accordingly, the ground of appeal raised by the appellant is allowed.”

10. We notice that the assessee had submitted during the assessment proceedings that the head office i.e. M/S. Mathura Zila Sahakari Bank Ltd. had already initiated the process of surrendering the PAN Cards of all the eighteen branches wherever separate PAN cards were taken. During the first appellate proceedings, the appellant succeeded in procuring the acknowledgment of surrendering the said PAN Card. It is true that ordinarily, the AO has to be provided an opportunity to rebut the additional evidence if any produced for the first time before the first appellate authority in terms of Rule 46A of Income Tax Rule, 1962. However, it is factum valeat that the details of surrendering the said PAN is always available on the department's (revenue's) portal, which is electronically uploaded thereon. It is pertinent to mention that Ld. CIT(A) has coterminous powers i.e. all those powers that the AO had in making the assessment. Its means that the Ld. CIT(A) was well within its coterminous powers to admit such additional evidence which was too technical, not produced before AO. Ld. CIT(A) has elaborately passed reasoned

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order after rightly taking note of the fact that the assessment proceedings against the three others such banking branches were already dropped by the concerns AO's on the similar fact situation. In admitting the department's own document, no prejudice is seen to be caused to the appellant revenue. We, therefore, do not find any error or infirmity in the impugned order. The impugned order is sustained. The aforesaid point is accordingly determined in negative against the appellant revenue and in favour of the respondent assessee. The appeal is liable to be dismissed.

11. In the result, the revenue's appeal is dismissed. Impugned order dated 10.07.2025 is confirmed.

***Order pronounced in the open court on 20.02.2026***

**Sd-**  
**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**  
Dated:20.02.2026

**Sd-**  
**(SUNIL KUMAR SINGH)**  
**JUDICIAL MEMBER**

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar,  
ITAT, Agra