

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

**BEFORE : SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER
AND
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER**

**ITA No. 347 & 348/Agr/2025
Assessment Year : 2013-14 & 2017-18**

Zila Sahkari Kendriya Bank Maryadit A.B. Road, Guna, Ashok Nagar M.P. -473 001	V	ITO, Guna M.P. 473 001
PAN : AAAFZ3305R		
(Appellant)(Respondent)		

Assessee by	Shri Deependra Mohan, CA
Department by	Shri Sukesh Kumar Jain, PCIT, DR

Date of hearing	19/02/2026
Date of pronouncement	19/02/2026

ORDER

PER SUNIL KUMAR SINGH, JUDICIAL MEMBER

These appeals have been preferred by the assessee against the order dated 25.03.2025 passed in appeal No. CIT(A), Gwalior/10104/2016-17 and order dated 24.03.2025 passed in appeal No. CIT(A), Gwalior/10709/2019-20 by Ld. CIT(A) NFAC respectively under section 250 of the Act, wherein Ld. CIT(A) has partly allowed/dismissed assessee's appeals respectively.

2. At the very outset, it is noticed that both the appeals are time-barred by 39-40 days respectively. Delay condonation applications on behalf of Smt. Roshani Raghuvanshi, staff member of the appellant are on record. The cause for the delay shown, is that the papers for filing this appeal were handed over to the concerned staff, however, she fell ill and was on bed rest on the advice of the Doctor. On resuming duty, staff filed appeal on 08.07.2025 (09.07.2025) against the impugned orders. The application is supported with the affidavit of the concerned staff, which is un-rebutted. The grounds shown are treated as sufficient cause for the delay. We condone the delay.

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3. The facts and issues involved in both these appeals are almost similar, hence for the sake of brevity and convenience, both these appeals are being decided by this common order. The facts of ITA No. 347/Agr/2025 are only being narrated as under:

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4. The brief facts under appeal are that the assessee's bank is carrying on business of banking and providing credit facilities to the members of co-operative society. Appellant e-filed its return of income for A.Y. 2013-14 on 02.10.2013, declaring total income at Rs. Nil, after claiming set-off of loss of Rs. 1,20,62,063/-. This case was selected for scrutiny under CASS and accordingly, notice u/s. 143(2) of the Act was issued and served. On perusal of the profit and loss account of the appellant it was seen that the appellant claimed deduction u/s 36 of the Act, for provision of bad and doubtful debts amounting to Rs. 5,01,92,000/-. Also, the appellant debited the Profit and Loss account for provisions to interest receivable at Rs. 4.0 crore. Provisions for standard assets for Rs. 20 lakh and provision for agriculture credit stabilization fund for Rs. 58,45,221/- and provision for co-operative development fund at Rs. 11,64,000/-. The AO raised queries as to how the above deductions were allowable u/s 36 of the Act, however, the appellant failed to justify the above expenses (booked in P&L) with requisite documentary evidences, therefore, the AO disallowed these expenses (debited in P&L) and added the total income of the appellant which worked out as Rs. 11,12,63,284/- (i.e. Rs. 1,20,62,063/- as income as per P & L account addition made out of bad and doubtful debts of Rs. 5,01,92,000/-, addition made out of various provisions at Rs. 4,90,09,221/-) and after deducting the carry forward loss for AY 2012-13 of Rs. 2,57,14,638/-, assessed the total income of the appellant at Rs. 8,55,48,650/- vide Assessment Order u/s 143(3) of the Act, dated 30.03.2016.

5. Aggrieved, assessee preferred first appeal before ld. CIT(A), who partly allowed assessee's first appeal.

6. Assessee has preferred this second appeal on the ground that learned CIT(A) has erred in confirming the addition of Rs. 8,25,21,095/- out of total exemption of Rs. 9,01,90,000/- on account of bad and doubtful debts u/s 36(1)(viiia) of the Act, without affording proper and reasonable opportunity of hearing to the assessee.

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7. Perused therecords. Heard Ld. AR for the appellant assessee and Ld. DR for the respondent revenue.

8. We notice that Ld. CIT(A), issued notices dated 24.02.2021, 19.10.2022, 16.12.2022, 25.10.2023, 25.01.2024, 21.03.2021, 11.06.2024, 08.10.2024, 06.01.2025 and 12.02.2025 to the assessee for making submissions but assessee uploaded only in part on 16.10.2024 and 17.10.2025. Ld. CIT(A) has observed that the appellant has not been able to furnish the requisite documentary evidences which can conclusively establish the claim of the appellant with regard to the total average advances of all the six rural branches during the year under consideration. Ld. CIT(A) has further observed that audited financials of the rural branches for the said claim were not filed to substantiate assessee's claim. In such a scenario and in the interest of justice and fair play, we deem it just and appropriate to afford appellant assessee an opportunity to file required documentary evidence before the first appellate authority. We, thus, remit the matter back to the file of learned CIT(A) for adjudication on merits afresh. We direct the assessee to be diligent and cooperative in attending the hearings and making required submissions before the learned CIT(A) for the expeditious and effective disposal. Needless to say, that learned CIT(A) shall ensure the observance of the principles of natural justice. It is made clear that we have not made any observation in respect of the merits of the case. The appeal is liable to be allowed for statistical purposes.

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9. Ld. CIT(A) has decided this appeal with the same observations as made by him in ITA No. 347/Agr/2025. Our findings arrived at in ITA No. 347/Agr/2025 shall mutatis mutandis apply to this appeal. This appeal, thus, deserves to be allowed for statistical purposes.

10. In the result, the both the appeals ITA No. 347/Agr/2025 & ITA No. 348/Agr/2025 are allowed for statistical purposes.

Order pronounced in the open court on 19.02.2026

Sd/-
(S. RIFAUR RAHMAN)
ACCOUNTANT MEMBER

Dated: 27.02.2026

Sd/-
(SUNIL KUMAR SINGH)
JUDICIAL MEMBER

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Copy forwarded to:

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

Asst. Registrar,
ITAT, Agra