

IN THE INCOME TAX APPELLATE TRIBUNAL
"B" BENCH, MUMBAI
BEFORE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER

ITA No. 8994/Mum/2025
Assessment Year: 2018-19

BVC Brinks Diamond & Jewellery Services LLP 203 B Wing The Capital, Bandra Kurla Complex Behind ICICI Bank Bandra East, Mumbai-400051 PAN: AANFB0812E (Appellant)	Vs.	Deputy Commissioner of Income Tax (DCIT), Circle 23(1), Mumbai 9 th Floor, Piramal Chambers, Jijibhoy Lane, Lalbaug, Parel Mumbai-400012 (Respondent)
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Assessee by	Ms. Aneri Dani, CA
Department by	Shri Swapnil Choudhari, SR. AR.

Date of Hearing	04.03.2026
Date of Pronouncement	05.03.2026

ORDER

Per: SHRI JAGADISH, A.M.:

1. This appeal filed by the assessee is directed against the order dated 07.10.2025 passed by the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi under section 250 of the Income Tax Act, 1961 for the Assessment Year 2018-19 arising out of the assessment order passed by the Assessing Officer under section 143(3) of the Act dated 20.02.2021.

2. Briefly stated, the facts of the case are that during the course of assessment proceedings the Assessing Officer observed from Form No. 3CD that the assessee had made provisions for gratuity amounting to Rs.31,10,764/- and leave encashment amounting to Rs.34,68,762/- which, according to the tax audit report, had not been paid before the due date prescribed under section 139(1) of the Act. However, in the computation of income the assessee had disallowed only Rs.26,42,531/- towards gratuity and Rs.29,56,798/- towards leave encashment. The Assessing Officer therefore proposed to disallow the differential amount of Rs.4,68,230/- in respect of gratuity and Rs.5,11,964/- towards leave encashment.
3. In response to the show cause notice, the assessee submitted that the figures reported in the original Form No. 3CD contained inadvertent errors and furnished a revised Form No. 3CD wherein the amount liable for disallowance was shown at Rs.16,03,632/- for gratuity and Rs.18,20,892/- for leave encashment. The Assessing Officer, however, did not accept the revised tax audit report and proceeded to make an addition of Rs.9,80,194/-.
4. Aggrieved by the said action, the assessee preferred an appeal before the Ld. CIT(A). The Ld. CIT(A) upheld the addition made by the Assessing Officer observing that the revised Form No. 3CD had been

obtained after the issuance of notice under section 143(2) of the Act and therefore the same could not be relied upon.

5. Before us, the Ld. Authorised Representative submitted that there is no prohibition either under the provisions of the Act or the Income Tax Rules against furnishing a revised tax audit report for correcting inadvertent mistakes in the original report. It was submitted that the figures reflected in the revised Form No. 3CD are based on the books of account and the disallowances already made by the assessee in the computation of income, which can be verified from the accounts and supporting records.
6. We have heard the rival submissions and perused the material available on record. It is noticed that there is a difference between the figures reported in the original Form No. 3CD and those reflected in the revised Form No. 3CD furnished by the assessee. The explanation of the assessee is that the original tax audit report contained incorrect reporting which was subsequently corrected through the revised report.
7. The Assessing Officer as well as the Ld. CIT(A) rejected the revised report mainly on the ground that it was obtained after the issuance of notice under section 143(2) of the Act. In our considered view, the issue involved is essentially factual in nature requiring verification of the provisions made in the books of account towards gratuity and leave

encashment, the disallowances already made by the assessee in the computation of income and the correctness of the figures reported in the revised Form No. 3CD. These aspects have not been examined by the Assessing Officer.

8. In the interest of justice, we deem it appropriate to restore this issue to the file of the Assessing Officer with a direction to verify the provisions made towards gratuity and leave encashment, the disallowances already made by the assessee and the figures reported in the revised Form No. 3CD with reference to the books of account and supporting records and decide the issue afresh in accordance with law after providing reasonable opportunity of being heard to the assessee.
9. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open court on 05 /03/2026.

Sd/-

(SANDEEP GOSAIN)

Judicial Member

Sd/-

(JAGADISH)

Accountant Member

Mumbai, Dated: 05/03/2026

Ankit

Sr. Private Secretary

Copy of the order forwarded to:

1. Appellant
2. Respondent
3. The CIT
4. The CIT (Appeals)
5. The DR, I.T.A.T.

By order

(Assistant Registrar)
ITAT, Mumbai