

Chapter 4: Compliance Issues related to assessment of Co-operative Societies and Co-operative Banks

The performance audit envisaged to check nature and extent of compliance to the general provisions of the Act during assessment process by the assesseees of Co-operative Sector.

During the examination of assessment records in respect of Co-operative Societies and Co-operative Banks, audit noticed mistakes relating to incorrect allowance of deductions, quality of assessments, incomes escaping assessment etc. This chapter deals with audit issues relating to deficiencies in application of general provisions of the Act and relevant Rules/ Judicial pronouncements by the Assessing Officers during assessment in respect of aforesaid assesseees. These cases of incorrect assessment point towards weaknesses in internal control in ITD which need to be addressed.

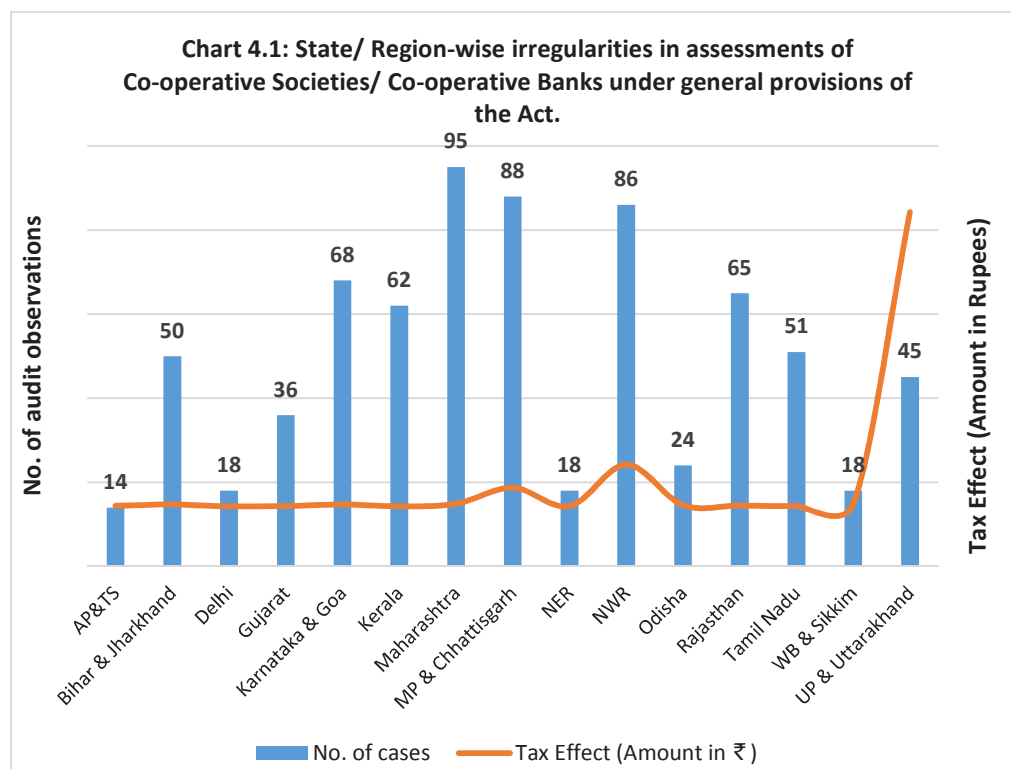
During the performance audit of Co-operative Societies and Co-operative Banks covering a sample of 8,470 cases, audit observed 730 cases wherein the general provisions of the Act were not complied with involving tax effect of ₹12,198.18 crore. The mistakes noticed in assessment and corresponding tax effects are summarised in Table 4.1. Detailed audit findings in this regard are discussed in subsequent paragraphs.

Table 4.1: Types of mistakes noticed in assessment

Sl. No.	Nature of audit observation	No. of cases	Tax Effect (₹ in crore)
1	Mistakes in levy of interest/ penalty etc.	277	40.49
2	Irregular allowance of expenditure, deductions etc.	184	376.07
3	Mistakes in computation of income, tax, surcharge etc.	104	1315.93
4	Income not assessed/ under assessed	43	22.24
5	Mistakes related to TDS provisions	38	45.63
6	Irregular set-off of loss etc.	36	147.89
7	Incorrect allowance of depreciation	22	54.64
8	Other mistakes during assessment	12	1.12
9	Overassessment of income/ Overcharge etc.	11	577.95
10	Unexplained investment/ expenditure etc.	4	9616.23
	Total	730	12,198.18

4.1 Profile of irregularities in assessments of Co-operative Societies and Co-operative Banks

The State/ region-wise details of irregularities in assessments of Co-operative Societies and Co-operative Banks noticed during the performance audit are depicted in Chart 4.1 given below:



As per PAN registration category details of assessments of Co-operative Societies/ Co-operative Banks, audit noticed instances of irregularities (20.7 per cent of irregularities) in respect of assessee registered as AJP, AOP(Trust), BOI, Firms, Local Authority and Company. As pointed out in Chapter 3 of this report, ITD may review the PAN registration status of the assessee filing income tax returns as Co-operative Societies/ Co-operative Banks to ensure uniformity in PAN registration category of similar class of assessee registered as taxpayers with ITD and to facilitate effective monitoring of tax compliance by entities in Co-operative Sector.

As seen from the activity-wise details of assessments of Co-operative Societies/Co-operative Banks, audit noticed 67.6 per cent of irregularities in assessments of assessee engaged in banking, credit and financial services followed by 6.3 per cent, 6.2 per cent, 4 per cent, 3.5 per cent and 3.3 per cent of irregularities in Co-operative Societies engaged in Agricultural and allied activities, Trading, Dairy Business, Housing/ Civil Construction and Manufacturing of sugar, respectively. ITD may review the reasons underlying such irregularities with greater emphasis on the banking, credit and financial

services sectors to ensure correct assessments in respect of Co-operative Societies and Banks.

Of 730 cases where audit noticed mistakes in allowance of deduction, 539 cases (73.8 per cent) were assessed under scrutiny viz. section 143(3) of the Act. Of 543 scrutiny assessment cases, in 364 cases the scrutiny was complete and in 98 it was limited¹¹¹. Further, audit observed that out of 465 cases where details of parameters for selection were available in the assessment records, in 131 cases involving claim and allowance of deduction of ₹ 193.93 crore and ₹ 172.75 crore, respectively, under section 80P of the Act, the criteria for selection of case for examination was on account of 'Large deduction claimed under Chapter VI-A', which included section 80P. Thus, audit noticed further irregularities despite of these assessments having been subjected to detailed examination by the Assessing Officers based on several risk parameters. These instances of incorrect assessments point towards inadequate examination of eligibility of incomes and admissibility of claims during assessment.

4.2 Mistakes in computation of income, tax, surcharge etc.

The Income Tax leviable in the case of Co-operative Societies had been specified under Paragraph B of Part III of the First Schedule to the Finance Act of the relevant Assessment Year. Surcharge on the income tax was also leviable at the specified rate in respect of Co-operative Societies whose total income exceeds one crore rupees. For the assessment year 2014-15 the surcharge is leviable at the rate of ten per cent.

Further, Section 5 of the Act states that the total income of any previous year of a person who is resident includes all income from whatever source derived which is received or deemed to be received in India in such year by or on behalf of such person; or accrues or arises or is deemed to accrue or arise to him in India during such year.

Assessing Officers committed errors in the assessments ignoring clear provisions in the Act. These cases of incorrect assessments involving arithmetical errors in computation of income and tax, application of incorrect rates of tax and surcharge etc. point to weaknesses in the internal controls in ITD which need to be addressed. Audit noticed 104 cases in 13 states¹¹² where mistakes in computation of income, tax and application of incorrect rates of tax and surcharge had resulted in short levy of tax of ₹ 1,315.93 crore. Two cases are illustrated below (see box 4.1).

¹¹¹ In eight cases type of selection was manual scrutiny whereas in 69 cases the details of type of scrutiny was not ascertainable.

¹¹² AP& TS, Bihar, Chhattisgarh, Karnataka & Goa, Jharkhand, Maharashtra, North West Region, Odisha, Rajasthan, Tamilnadu, Uttar Pradesh, West Bengal & Sikkim

Box 4.1: Illustration for mistakes in computation of tax, surcharge etc.

a) Charge: PCIT, Faizabad

AY: 2015-16 and 2016-17

The scrutiny assessment of the assessee, an AOP, for AYs 2015-16 and 2016-17 was completed under section 147 read with section 143(3) of the Act in February 2018 determining income of ₹ 333.57 crore and ₹ 143.96 crore respectively. Audit noticed that while computing tax demand the Assessing Officer did not levy the surcharge although the same was leviable at the rates of 10 *per cent* for AY 2015-16 and 12 *per cent* for AY 2016-17. This had resulted in short levy of tax of ₹ 13.91 crore and ₹ 6.57 crore including interest for AY 2015-16 and AY 2016-17 respectively. ITD accepted the audit objection. ITD informed (March 2020) that remedial action had been completed for both the AYs (December 2019).

b) Charge: PCIT, Rohtak

AY: 2014-15

The scrutiny assessment of the assessee, an AOP, was completed in November 2016 determining income of ₹ 1.29 crore. Audit noticed that assessee had decreased overdue interest reserve account in balance sheet by ₹ 0.70 crore. However, no bad and doubtful debt had been written off. This had resulted in under assessment of income ₹ 0.70 crore involving tax effect of ₹ 0.24 crore. The reply of ITD is awaited (June 2020).

Application of incorrect rates of tax and surcharge and arithmetical errors in computation of income and tax etc. point towards weaknesses in assessment procedure and internal controls of ITD which needs to be addressed. ITD may review such irregularities in order to ascertain the reasons for such errors in computation of tax, surcharge etc.

4.3 Mistakes in levy of interest/ penalty

Audit examined assessments to ascertain the correctness of interest charged for returns filed with delay, where the advance tax paid by such assesseees was less than ninety *per cent* of the assessed tax or the advance tax paid was less than prescribed *per cent* of the tax due on the returned income or amount refunded under section 143(1) of the Act exceeds the amount refundable on regular assessment as per the provisions of this Act. Audit noticed 277 cases in 16 states¹¹³ that ITD had not charged interest according to the provisions of this Act. This had resulted in under charge of interest/

113 Andhra Pradesh & Telangana, Bihar, Chhattisgarh, Delhi, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, North East Region, North West Region, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal & Sikkim

non-levy of penalty of ₹ 40.49 crore. Three cases are illustrated below [see box 4.2 and 4.3].

4.3.1 Mistakes in levy of interest

The Act provides for levy of interest for omissions on the part of the assessee at the rates prescribed by the Government from time to time. Section 234A of the Act provides for levy of interest on account of default in furnishing return of income at specified rates and for specified time period. Section 234B of the Act provides for levy of interest on account of default in payment of advance tax at specified rates and for specified time period. Section 234C of the Act provides for levy of interest on account of default in payment of instalments of advance tax at specified rates and for specified time period.

Audit noticed 101 cases involving tax effect of ₹ 26.67 crore where there were mistakes in levy of interest on account of non-furnishing or delay in furnishing of returns of income, default in payment of advance tax, default in payment of instalments of advance tax, default in payment of tax demand raised by ITD etc. Two cases are illustrated in Box 4.2.

Box 4.2 : Illustration of Mistakes in levy of Interest

a) Charge: PCIT 2, Jodhpur, Rajasthan

AY: 2014-15

The scrutiny assessment of the assessee was completed in December 2016 at an income of ₹ 88.66 crore. Audit noticed that the assessee had filed its return of income for AY 2014-15 in November 2014, which was delayed by two months from the due date of filing of the return. While computing tax demand, the interest that was required to be charged under section 234A(1) of the Act for the delayed period was not charged. This had resulted in short levy of interest of ₹ 0.10 crore under section 234A of the Act. ITD accepted the objection (May 2018) and took remedial action under section 154 of the Act.

b) Charge: PCIT-1, Bhopal

AY: 2014-15

The scrutiny assessment of the assessee was completed in November 2016 determining income of ₹ 111.47 crore. Audit noticed that while computing the tax demand the Assessing Officer did not levy interest under section 234C of the Act. This had resulted in non-levy of interest of ₹ 0.46 crore under section 234C of the Act. Further interest under section 234B of the Act was also short levied by ₹ 0.13 crore. This had resulted in total short levy of interest of ₹ 0.58 crore under sections 234B and 234C of the Act. The reply of ITD is awaited (June 2020).

4.3.2 Mistakes in levy of penalty

Section 269SS of the Act provides that no person shall take/ accept from any person, any loan/ deposit exceeding ₹20,000/- otherwise than by bank draft/ accounts payee bank cheque. In violation of this provision penalty under section 271D of the Act is to be levied equal to amount of such loan/ deposit. Section 269T of the Act provides that no person shall repay any person, any loan/deposit exceeding ₹20,000/- otherwise than bank draft/ accounts payee cheque and in contravention of this provision, penalty equal to repaid amount shall be imposed under section 271E of the Act.

Audit noticed 176 cases involving tax effect of ₹ 13.82 crore where there were mistakes in levy of penalty on contravention of provisions laid down under the Act in respect of acceptance or repayment of loans or deposits in specified modes. One case is illustrated in Box 4.3.

Box 4.3: Illustration of Mistakes in levy of penalty

Charge: PCIT-5, Ahmedabad

AY: 2013-14

The scrutiny assessment of the assessee was completed in October 2015 at an income of ₹ 0.53crore. Audit noticed that the assessee had accepted loan or deposit of ₹ 0.88 crore otherwise than by an account payee cheque or account payee bank draft as reported by the CA in the Audit Report but no penalty proceedings was initiated by the AO. This had resulted in non-levy of penalty of ₹ 0.88 crore. ITD's reply is awaited (June 2020).

The errors in levy of interest and penalty on account of mistakes committed by the assessing officers lead to avoidable loss of interest/ penalty, which need to be addressed. ITD may review such irregularities in order to ascertain the reasons for such errors in levy of interest and penalty.

4.4 Irregular allowance of expenditure, deductions etc.

As per section 36(1)(vii) of the Act, subject to the provisions of sub-section (2), the amount of any bad debt or part thereof which is written off as irrecoverable in the accounts of the assessee for the previous year. Provided that in the case of an assessee to whom clause (vii) applies, the amount of the deduction relating to any such debt or part thereof shall be limited to the amount by which such debt or part thereof exceeds the credit balance in the provision for bad and doubtful debts account made under that clause.

Further, as per section 37(1) of the Act, any expenditure (not being expenditure of the nature described in section 30 to 36 of the Act and not being in the nature of capital expenditure or personal expenditure of the assessee) laid out or expended wholly and exclusively for the purpose of the business or profession shall be

allowed in computing the income chargeable under the head "Profit and gains of business or profession".

Section 43B of the Act states that certain statutory expenses can only be claimed in the year of payment.

The provisions laid down under the Act allow the assessee to claim various expenses and deductions subject to fulfilment of conditions specified under the Act. If these conditions are not fulfilled, the corresponding expense/deductions are required to be disallowed and added back to the taxable incomes by the Assessing Officers. Audit noticed 184 cases in 17 states¹¹⁴ where the AOs had made irregular allowance of expenses and deductions involving tax effect of ₹ 376.07 crore. Two cases are illustrated below:

Box 4.4 : Illustration of Irregular allowance of expenditure, deductions etc.

a) Charge: PCIT-Thrissur

AY: 2015-16

The scrutiny assessment of the assessee, a Co-operative Bank assessed as AOP, was completed in November 2017 at income of ₹ 2.40 crore. Audit noticed that an amount of ₹ 1.40 crore towards provision of bad and doubtful debts for which no credit entry was recorded in Profit and Loss account was deducted while computing the total income. This was not an allowable deduction under the provision of the Act. This had resulted in under computation of income ₹ 1.40 crore and short levy of tax of ₹ 0.65 crore. ITD replied that notice under section 154 of the Act had been issued (August 2019).

b) Charge: PCIT-2, Kolhapur

AY: 2016-17

The scrutiny assessment of the assessee, a Co-operative Bank assessed as AOP, was completed in December 2018 at income of ₹ 16.73 crore. Audit noticed that the assessee had claimed deduction of ₹ 2.22 crore as brought forward allowance for Bonus/ Commission to employees for the AY 2015-16 and same was allowed by Assessing Officer. The amount of deduction was neither shown in computation nor in 3CD report moreover not added back in total income of that year. This had resulted in underassessment of income ₹ 2.22 crore involving short levy of tax of ₹ 1.02 crore. ITD's reply is awaited (June 2020).

ITD may review the reasons for irregular allowance of inadmissible claims and items of expenditure and deductions despite there being clear provisions in the Act. ITD may identify such items of expenses and deductions that are erroneously being allowed by AOs and devise a checklist outlining the same

114 Andhra Pradesh & Telengana, Bihar, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Goa, Kerala, Madhya Pradesh, Maharashtra, NWR, North East Region, Odisha, Rajasthan, UP, Uttarakhand, West Bengal

for use by Assessing Officers to prevent recurrence of such irregularities during assessment of claims and deductions.

4.5 Mistakes related to TDS provisions

Under the provision of section 40(a)(ia) of the Act, any payment of interest, commission or brokerage, rent, royalty, fees for professional services or fees for technical services on which tax is deductible at source under chapter XVII-B and such tax has not been deducted or, after deduction, has not been paid, shall not to be deducted in computing the income chargeable under the head profit and gains of business or profession.

Audit examined cases to ascertain the deduction of TDS on payment of interest, commission or brokerage, rent, royalty, fees for professional services or fees for technical services on which tax is deductible at source under chapter XVII-B. Audit noticed 38 cases in 8 states¹¹⁵, wherein the assessee had not deducted TDS or deducted incorrectly violating the conditions laid down in the Act involving short levy of tax of ₹ 45.63 crore. One of the cases is illustrated below (see Box 4.5):

Box 4.5: Illustration of Irregular Allowance of expenditure under section 40(a)(ia) of the Act

**a) Charge: PCIT-Muzaffarpur
AY: 2014-15**

The scrutiny assessment of the assessee was completed in December 2016 at income of ₹ 176.93 crore. Audit noticed that the assessee had paid commission of GMDS agent amounting to ₹ 2.75 crore. As TDS was not deducted on commission paid thus the same was required to be added back in total income. This had resulted in under computation of income ₹ 2.75 crore involving tax effect of ₹ 0.93 crore. Reply of the department is awaited (June 2020).

Non-levy of tax on non-deduction of TDS or incorrect deduction of TDS indicates towards omissions by the assessing officers leading to avoidable loss of tax, which need to be addressed. ITD may review such irregularities in order to ascertain the reasons for such errors.

115 Bihar, Jharkhand, Karnataka, Madhya Pradesh, North East Region, North Western Region, Odisha, Rajasthan.

4.6 Income escaping assessment

Section 143(3) of the Act provides that the Assessing Officers, shall by an order in writing, make an assessment of the total income or loss of the assessee and determine the sum payable by him or refund of any amount due to him on the basis of such assessment after taking into account such evidence as the assessee may produce and such other evidence as the Assessing Officer may require on specified points, and after taking into account all relevant material which he has gathered.

Audit examined cases to ascertain whether the claims and allowances were verified during assessment while computing total income, tax and interest. Audit noticed 43 cases in 6 states¹¹⁶ where ITD had allowed expenditure without verification of return/assessed income/unabsorbed depreciation and brought forward losses of previous years violating the conditions laid down in the Income Tax Act resulting in short levy of tax of ₹ 22.23 crore. Two cases are illustrated in Box 4.6 below:

Box 4.6: Illustration of Income escaping assessment

a) Charge: PCIT-Hubli, Karnataka

AY: 2015-16

This case was not selected for scrutiny assessment and was processed under section 143(1) of the Act at nil income. Audit noticed that the assessee, a Co-operative Society assessed as AOP, had claimed and was allowed deduction of ₹ 8.48 crore under section 80P of the Act. It was further noticed that the assessee was selected for scrutiny for all the years except this year and deduction under section 80P of the Act was being regularly claimed by the assessee and was regularly disallowed during the assessments. Thus, non-selection of the case for scrutiny assessment resulted in incorrect allowance of deduction of ₹ 8.48 crore involving tax effect of ₹ 3.57 crore. ITD's reply is awaited (June 2020).

b) Charge: PCIT, Karnal

AY:2014-15

The scrutiny assessment of the assessee, a PACS assessed as AOP, was completed in August 2016 at a loss of ₹ 0.55 crore. Audit noticed that assessee was following the mercantile system of accounting but amount of overdue interest recoverable during the year amounting to ₹ 7.70 crore was neither routed through profit and loss account nor added at the time of computation of income. This had resulted in under assessment of income of ₹ 7.70 crore having tax effect of ₹ 3.38 crore. ITD's reply is awaited (June 2020).

Non verification of claims and allowances during assessment points towards omissions by the assessing officers leading to avoidable loss of tax, which need to be addressed. ITD may review such irregularities in order to ascertain the reasons for such errors.

¹¹⁶ Delhi, Gujarat, Karnataka & Goa, NWR, Rajasthan, Madhya Pradesh

4.7 Incorrect allowance of depreciation

As per section 32(i) of the Act read with Rule 5 of Income Tax Rules, 1962, the depreciation is allowable at prescribed rates on WDV of buildings, machinery, plant or furniture, being tangible assets, owned wholly or partly, by the assessee and used for the business or profession.

Audit examined cases to ascertain the correctness in allowance of depreciation in accordance with and subject to the provisions of this Act. Audit noticed 22 cases in 9 states¹¹⁷ where ITD had incorrectly allowed depreciation in contradiction to the provisions of the Act. This had resulted in under assessment of income of ₹153.91 crore and short levy of tax of ₹54.64 crore. Two cases are illustrated in Box 4.7 below:

Box 4.7: Illustration of Incorrect Allowance of Depreciation

a) Charge: PCIT 1, Mumbai

AY: 2014-15

The scrutiny assessment of the assessee, a Co-operative Bank assessed as AOP, was completed in December 2016 at an income of ₹ 176.24 crore. Audit noticed that assessee claimed and was allowed depreciation on goodwill. However, no such depreciation was debited in the books. This had resulted in incorrect allowance of depreciation of ₹ 121.75 crore involving tax effect of ₹ 41.39 crore. ITD's reply is awaited (June 2020).

b) Charge: PCIT 4, Ahmedabad

AY: 2014-15

The scrutiny assessment of the assessee, an AOP, was completed under section 143(3) of the Act in December 2017 by accepting the returned income of ₹ 11.72 crore. Audit examination revealed that the assessee had claimed additional depreciation of ₹ 0.30 crore on purchase of commercial vehicles viz. tankers and cars worth ₹ 1.59 crore. The claim allowed in the assessment resulted in under assessment of ₹ 0.30 crore and short levy of tax of ₹ 0.15 crore. The Department stated in its reply that as the assets mentioned above fall under the block Plant and Machinery, the additional depreciation is allowable to them. The reply was not acceptable, as the provisions of the Act expressly deny the allowance of additional depreciation to transport vehicles and as they are not used in the manufacture of any article or thing.

The incorrect allowance of depreciation point towards omissions by the assessing officers leading to avoidable loss of tax, which need to be addressed. ITD may review such irregularities in order to ascertain the reasons for such errors.

117 Gujarat, Karnataka, Kerala, Maharashtra, North East Region, North West Region, Odisha, Rajasthan, Tamilnadu.

4.8 Irregular set-off of losses

As per section 72(1) of the Act where for any assessment year, the net result of the computation under the head "Profits and gains of business or profession" is a loss to the assessee, not being a loss sustained in a speculation business, and such loss cannot be or is not wholly set off against income under any head of income in accordance with the provisions of section, so much of the loss as has not been so set off or, where he has no income under any other head, the whole loss shall, subject to the other provisions of this Chapter, be carried forward to the following assessment year, and it shall be set off against the profits and gains, if any, of any business or profession carried on by him and assessable for that assessment year; if the loss cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following assessment year and so on.

Audit examined cases to ascertain the correctness in allowance of set off of loss in accordance with and subject to the provisions of this Act. Audit noticed 36 cases in 11 states¹¹⁸ where ITD had incorrectly allowed set off of losses in contradiction to the provisions of this Act resulting in short levy of tax of ₹ 147.89 crore. Two cases are illustrated in Box 4.8 below:

Box 4.8: Illustration of Irregular carry forward of loss under section 72(1) of the Act

a) Charge: PCIT-Panchkula

AY: 2016-17

The scrutiny assessment of the assessee, an AOP(Trust), was completed in December 2018 at ₹ 14.08 crore. Audit noticed that assessee in assessment year 2016-17, had shown income of ₹ 0.02 crore after adjusting business loss of ₹ 14.08 crore. However, the assessee had shown the total carry forward loss of ₹ 56.70 crore, out of which he had availed benefit of adjusted loss of ₹ 14.08 crore and carry forward loss of ₹ 42.61 crore during the AY 2016-17. But, as per assessment order for the year 2012-13, 2013-14, 2014-15 and 2015-16, the actual assessed loss of ₹ 3.37 crore was accounted for during the AY 2014-15. Thus, the assessee got excess benefit of brought forward loss of ₹ 14.08 crore which resulted in tax involving of ₹ 6.48 crore and carry forward of loss of ₹ 42.61 crore. Reply of the department is awaited (June 2020).

b) Charge: Pr.CIT-1, Patna, Bihar

AY: 2014-15

The assessment of the assessee, an AOP, was completed under section 143(3) of the Act in December 2016 at loss of ₹ 10.76 crore after addition of ₹ 11.86 crore under section 40(a)(ia) of the Act and addition of ₹ 0.49 crore on

118 Bihar, Delhi, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, North East Region, North West Region, Uttar Pradesh, West Bengal & Sikkim.

account of add back of provision for fraud and dacoity. It was noticed that the assessee had an income of ₹ 86.06 crore for AY 2014-15, however the return of income (November 2014) was filed at a loss of ₹ 23.11 crore after setting off loss of ₹ 109.17 crore based on returned loss of ₹ 109.17 crore filed for the AY 2013-14. Audit of assessment records for AY 2014-15 in correlation with assessment records for AY 2013-14 revealed that assessed income of the AY 2013-14 was ₹ 16.35 crore and therefore, no loss for the AY 2013-14 was available for set off. However, assessee had claimed loss of ₹ 109.17 crore relating to AY 2013-14 and Assessing Officer allowed the same and determined assessed income at loss of ₹ 10.76 crore. Further, while calculating tax demand, loss of ₹ 10.76 crore was taken as income of ₹ 10.76 crore. The errors resulted in short computation of income of ₹ 87.65 crore (₹ 98.41 crore- ₹ 10.76 crore) and consequent short levy of tax and interest of ₹ 33.74 crore. Reply of the department is awaited (June 2020).

The incorrect allowance of set-off of losses point towards omissions by the assessing officers leading to avoidable loss of tax, which need to be addressed. ITD may review such irregularities in order to ascertain the reasons for such errors.

4.9 Unexplained investment/ expenditure etc.

Section 68 of the Act stipulates that where any sum is found credited in the book of an assessee and the assessee offers no explanation about the nature and source thereof or the explanation offered by him is not satisfactory, the sum so credited may be charged to income tax as the income of the assessee to establish identity, creditworthiness of the of the lenders and genuineness of the transaction with supporting document to substantiate the claim. As per section 69 of the Act where in the financial year immediately preceding the assessment year the assessee has made investment which are not recorded in the books of account, if any, maintained by him for any source of income, and the assessee offers no explanation about the nature and source of investment or the explanation offered by him is not, in the opinion of the Officer, satisfactory, the value of the investment may be deemed to be the income of the assessee of such financial year.

Audit noticed 4 cases in 3 states¹¹⁹ where ITD had not taken into account unexplained cash credit and unexplained investment while completing assessment according to the provisions of this Act resulting in short levy of tax of ₹ 9,616.23 crore. Two cases are illustrated in Box 4.9 below:

119 Madhya Pradesh, Maharashtra and Uttar Pradesh

Box 4.9: Illustration of Unexplained Investment/ expenditure under Sections 68 and 69 of the Act**a) Charge: PCIT-1 Lucknow****AY: 2013-14**

The scrutiny assessment of the assessee, a Credit Co-operative Society assessed as AOP, was completed in March 2016 determining total income of ₹ 5,222.52 crore. The AO held that the source of deposits of ₹ 17,877.54 crore received from members and source of shareholder's fund of ₹ 327.75 crore were not fully verifiable. As per para 5 of the assessment order, the Assessing Officer concluded that the assessee had not been able to prove the credit worthiness or genuineness of the transactions in 33 cases of shareholders who had subscribed ₹ 5.00 lakh and above and had nothing to say of the balance 4016150 (4016183-33) shareholders. Therefore, applying 25 per cent on the deposits of ₹ 17877.54 crore and shareholders fund of ₹ 327.75 crore to work out unexplained cash credit of ₹ 4,469.38 crore and ₹ 81.94 crore respectively was irregular.

As the Assessing Officer was not satisfied about either of the identity, credit worthiness or the genuineness of transaction of the deposits from the members and shareholders fund, he should have treated the net deposits collection amounting to ₹ 17,877.54 crore and shareholders fund of ₹ 327.75 crore received during the year as unexplained cash credit under section 68 of the Act. This had resulted in short computation of unexplained cash credit of ₹ 13,653.96 crore and consequent short charge of tax of ₹ 5,737.94 crore including interest of ₹ 1,518.87 crore for 36 months under section 234B of the Act. Reply of the department is awaited (July 2020).

b) Charge: PCIT-I, Bhopal**AY: 2015-16**

The scrutiny assessment of the assessee, a Co-operative Society assessed as AOP, was completed in December 2017 determining income at ₹ 195.70 crore. The Assessing Officer had restricted examination during scrutiny to net profit to turnover ratio and non-deduction of TDS on payments made by the society.

Despite sufficient red flags in respect of significant increase in receipts of member's contributions towards objects of the society from ₹ 105.97 crore in 2013-14 to ₹ 8,161.10 crore, payment of ₹ 648.47 crore to the field workers/ members as commissions for addition of new members without deducting TDS under section 194H of the Act, non-accountal of the interest earned or accrued on ₹ 7,124.67 disbursed as 'Advance to Others' under 'other current assets' and non-current investments by the society amounting to ₹ 580.09 crore during FY 2014-15, the AO did not consider seeking explanations and evidences to examine the possibility of potential escapement of income and possibility of taxing the unexplained credits (₹ 8,161.10 crore), unexplained investment (₹ 7,124.67 crore) and unexplained expenditure (₹ 648.47 crore).

The department stated in its reply (June 2018) that the audit objection was not acceptable as the case was selected for limited scrutiny under CASS and the AO was not supposed to examine any issue other than those mentioned therein. It

was further stated (April 2019) that the objections are realised on certain issues which are suggestive in nature without any clear evidence on record and tentative calculation of escapement of income. Also, the cases cannot be reopened merely on grounds of suspicion or roving enquiry where there is no clear evidence or the reasons to believe that a specified amount has escaped assessment. Therefore, considering the facts and circumstances of the case and also in view of CBDT instruction No. 20/2015 dated 29.12.2015, the contention of the audit is not acceptable and the objections raised deserve to be dropped.

The reply of the ITD is not acceptable, as the AO already had power to get any case of limited scrutiny converted into "Complete scrutiny", if there was potential escapement of income exceeding rupees five lakh. Despite there being a sudden manifold increase in aggregate receipts which raises a suspicion; no effort was taken by the AO to conduct a complete scrutiny or survey or search & seizure to ascertain identity of the members, genuineness of transaction and also their creditworthiness to establish the income and resultant tax dues.

The amount of underassessment of income to the extent of ₹ 7,800 crore as worked out by the audit is based on audited balance sheet and cash flow statements of the assessee for FYs 2013-14 and FY 2014-15 and is only indicative in nature. The omission on part of the ITD also highlights the ineffectiveness of the CASS and the differential stand taken by the AOs as in this case and the case of a Credit Co-operative Society (as illustrated above), wherein the AO had made a disallowance of 25 *per cent* towards unexplained cash credit due to unsatisfactory credit worthiness and genuineness of transactions.

Inadequate examination of unexplained cash credit and unexplained investment point towards omissions by the assessing officers leading to avoidable loss of tax, which need to be addressed. ITD may review such irregularities in order to ascertain the reasons for such errors. ITD may also devise a guideline to, adequately, address issues of unexplained cash, credit and investments during assessments.

ITR-5 in the existing format does not capture list of all Members of a Co-operative Society for the previous year relevant to the Assessment Year of filing of return. A provision may be made in ITR-5 to capture details of all Members along with their PAN. Also, quoting of PAN may be made mandatory for deposits received above a threshold amount by Co-operative Societies for effective monitoring of financial transactions.

4.10 Other mistakes during assessment

Audit noticed other irregularities in 12 cases in 8 states¹²⁰ involving tax effect of ₹ 1.11 crore. Audit also noticed 11 cases of overassessment of income,

120 AP&TS, Chhattisgarh, Gujarat, Jharkhand, MP, NER, Rajasthan, Maharashtra.

overcharge of tax etc. in seven states¹²¹ involving tax effect of ₹ 577.95 crore. One case is illustrated below.

Box 4.10: Illustration of Overassessment of income

a) Charge: PCIT -1, Bhopal

AY: 2016-17

The scrutiny assessment of the assessee, a Co-operative Society assessed as AOP, was completed in December 2018 at an income of ₹ 1,806.18 crore. Audit noticed that during the assessment proceedings Assessing Officer disallowed 30 per cent expenditure of ₹ 433.28 crore which stood at ₹ 129.98 crore. While computing taxable income, the amount of disallowance was erroneously considered as ₹ 1,299.83 crore. This had resulted in over assessment of income of ₹ 1,169.85 crore involving tax effect of ₹ 562.76 crore. ITD's reply is awaited (June 2020).

4.11 High Value Additions made during assessments

Audit examined 286 unique PAN-AY cases where additions made to the returned income during assessment were greater than ₹ 0.50 crore and demand raised was nil to ascertain whether there were errors in assessment and whether the deductions and claims had been allowed correctly.

The reasons for demand reduction at assessment stage were seen to be settlement of demand against TDS and other payments viz. advance tax, self-assessment tax etc. or additions being less than amount of returned loss. In cases where demand became nil at rectification stage the main reason was amount of tax paid being greater than gross demand. In cases where demand became nil at appellate stage it was due to deletion of additions made by Assessing Officers/ appeal being allowed in favour of assessee.

Audit also examined such cases with high value additions to ascertain the nature and extent of compliance to provisions under the Act.

- i. It was seen that the major disallowances made by Assessing Officers were on account of items such as depreciation, provisions on account of law charges, theft and frauds, audit fees, interest expenses on borrowed funds, building fund, income tax, gratuity; interest income on bank deposits to be treated as income from other sources; unexplained cash credits; provision for bad and doubtful debts, provision for Non-Performing Assets; expenses related to exempt income; deduction claimed under section 80P of the Act; amortisation of premium paid on government securities, special reserve, bogus purchase etc.

121 AP&TS, Bihar, Delhi, Karnataka, Madhya Pradesh, NWR, Odisha.

- ii. Of 35 cases where disallowance was made on account of deduction under section 80P of the Act, in seven cases¹²² deduction amounting to ₹ 466.10 crore claimed under section 80P of the Act was disallowed as assessee was engaged in banking business or was held as non-PACS and was therefore held as ineligible for allowance of deduction under section 80P of the Act. Of these, it was seen that deduction under section 80P of the Act was shown as Nil as per DGIT(Systems) data in three cases only. In remaining four cases¹²³ deduction amount under section 80P of the Act is not updated in the DGIT(Systems) data as per deduction allowed. DGIT (Systems) data continued to reflect the amount of claim of deduction at ₹ 461.28 crore as per the claim made by assessee instead of correct amount of deduction allowed at nil.

In such cases where deduction was disallowed on the pretext that the Co-operative Society was engaged in banking business ITD should assign codes as per the nature of business or activity for effective monitoring. The existing activity codes also do not classify the Co-operative Banks from PACS.

Further, the ITD should ensure that the information on deduction claimed and allowed should be distinctly captured in the systems.

4.12 High Value Demands

Audit examined 21 cases¹²⁴ where returned income was equal to assessed income but demand was greater than ₹ one crore to determine the stage at which the demand was raised and whether prepaid taxes were accounted for while computing tax demand.

Audit noticed that in eight cases, the demand was raised at reassessment stage (two cases), rectification stage (two cases) and scrutiny stage (four cases). In 13 cases the demand was raised at the stage of electronic processing of ITR stage itself. The reasons for levy of demand inter alia included disallowance of amounts on account of accumulation or voluntary contribution and accounting of pre-paid taxes at processing of ITR stage, advance tax deposited under wrong head not considered as payment by CPC Bengaluru, disallowance of deduction under section 80P of the Act on account of inadmissible claim made by ineligible assessee viz. Co-operative Bank, tax paid claimed by assessee pertained to another PAN, excess levy of interest under sections 234B & 234C of the Act and deduction claimed by assessee not allowed by CPC Bengaluru.

122 Bihar, Kerala, Tamil Nadu and Uttar Pradesh

123 Kerala, Tamil Nadu and Uttarakhand

124 Andhra Pradesh &Telangana State, Gujarat, Karnataka, Kerala, Maharashtra, NWR, Uttar Pradesh, Uttarakhand and West Bengal

Presence of cases of raising of demand at processing of ITR stage itself points to the fact that ITD should focus on reconciliation of claims, through CPC-Bengaluru, actively to resolve the same and evolve means to avoid possibilities of non-matching of claims and payments.

In one case of Co-operative Bank in CIT-Shimla, North West Region¹²⁵ charge, advance tax of ₹ 1.50 crore deposited in wrong head of account not considered as advance tax payment by CPC Bengaluru. However, the same was allowed as advance tax payment by the CPC Bengaluru after filing of appeal by the assessee.

CBDT stated (July 2020) during Exit Conference that the demand generated erroneously through ITD systems at ITR processing stage on account of input errors made by assessee (which is also beyond control of ITD) at ITR filing stage are rectified as per provision under section 154 of the Act.

4.13 Variations in Additions made by Assessing Officers

Under the provisions of section 142(2A) of the Act, if at any stage of the proceedings before him, the Assessing Officer, having regard to the nature and complexity of the accounts and interest of the revenue, is of the opinion that it is necessary so to do, he may direct the assessee to get the accounts audited by an accountant and to furnish a report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed and such other particulars as the Assessing Officer may require.

Further, section 143(3) of the Act provides that Assessing Officers have to determine and assess the income correctly. Different types of claims together with accounts, records and all documents enclosed with the return are required to be examined in details in every scrutiny assessment. CBDT has also issued instructions from time to time in this regard.

Audit examined 288 unique PAN cases¹²⁶ to ascertain whether the Assessing Officers had taken differential stand while making allowances during assessments in respect of same assessee across assessment years.

Audit noticed that Assessing Officers had taken differential stand in 22 assessment cases (10 unique PAN cases) wherein the allowance or disallowance was not made uniformly across different AYs in case of same assessee e.g. interest received from deposits with Co-operative Banks was treated non-uniformly, i.e. either treated as eligible income or ineligible income for allowance of deduction under section 80P(2)(d) of the Act in different AYs in case of same assessee.

Two cases are illustrated in Box 4.11 below:

125 Chandigarh, Haryana, Himachal Pradesh, Jammu & Kashmir and Punjab

126 1108 assessment cases assessed during FYs 2014-15 to 2018-19

Box 4.11: Illustration for variations in additions made during assessment

**(a) Charge: PCIT-I Lucknow,
AY: 2014-15**

The scrutiny assessment of the assessee, an AOP, was completed in December 2016 at total income of ₹ 0.20 crore by disallowing 'donation & charity' amounting of ₹ 0.02 crore and late payment of tax of ₹ 0.02 lakh and added back the same to the income of the assessee. No inquiry before assessment was made under section 142(2A) of the Act. Scrutiny assessment for AYs 2011-12 and AY 2012-13 was completed in July 2014 and September 2015 at income of ₹ 111.55 crore and ₹ 121.70 crore, respectively, after making disallowances/ additions amounting to ₹ 106.90 crore and ₹ 121.98 crore, respectively, on the basis of inquiry before assessment under section 142(2A) of the Act. Omission not to make inquiry before assessment under section 142(2A) of the Act, resulted in incorrect assessment of income.

ITD stated in its reply (January 2020) that during AYs 2011-12 and 2012-13 the assessee was involved in an embezzlement of ₹ 4.25 crore and ₹12.36 crore, respectively. In view of above, the AO has conducted Special Audit under section 142(2A) of the Act, but no embezzlement matter involved during AY 2013-14. Therefore, the AO had rightly completed assessment for AY 2014-15. The reply of the department is not acceptable as significant fraud was unearthed in two assessment years, which warranted similar level of examination. Further, the case records including the assessment order did not contain any details/ documents which ensure that no embezzlement matter was involved during AY 2014-15.

**(b) Charge: PCIT-I Lucknow,
AY: 2012-13**

The scrutiny assessment of the assessee, a Credit Co-operative Society assessed as an AOP, was completed in March 2015 at income of ₹ 14,436.65 crore after addition of ₹ 14,509.81 crore. As per para 5 of assessment order, the AO held that the deposits received from members during the year of ₹ 13,149.08 crore was unexplained cash credit under section 68 of the Act.

Audit examination of Schedule-11 of Profit & Loss account revealed that the assessee had claimed and was allowed a sum of ₹ 311.10 crore as interest paid on deposits received from the members which were held unexplained cash credit by the AO, hence corresponding expenditure i.e. interest on deposit should have been disallowed and added back to the income of the assessee. The omission resulted in irregular allowance of business expenditure of ₹ 311.10 crore with consequent short charge of tax of ₹ 130.74 crore including interest of ₹ 34.61 crore under section 234B of the Act for 36 months.

During scrutiny assessment of the same assessee for AYs 2013-14 and 2016-17, Assessing Officer treated deposits from members as unexplained income under section 68 of the Act, and disallowed corresponding interest expenditure on the deposits from members.

ITD stated in its reply (January 2020) that proposal under section 263 of the Act had been sent.

4.14 Other observations from regular compliance audits pertaining to Co-operative Societies and Co-operative Banks (Not in Sample)

In addition to the audit observations mentioned in the preceding chapter and this chapter, 128 audit observations (as shown in Appendix 3) were noticed in respect of Co-operative Societies and Co-operative Banks that were assessed during the period of coverage of the Performance Audit i.e. 2014-15 to 2018-19 which did not fall under the selected sample during the regular compliance audit, involving a tax effect of ₹130.22 crore. The irregularities, inter alia, included arithmetical errors in computation of income and tax, mistakes in levy of interest, incorrect allowance of deductions and expenses under several provisions of the Act and irregular set-off of losses. Two cases are illustrated in Box 4.12 below:

Box 4.12: Illustrations for audit objections raised during regular compliance audit

a) Charge: PCIT-2, Ahmedabad

AY: 2013-14

The assessee is a Co-operative Bank engaged in the banking activity filed its return of income for AY 2012-13 on 28 September 2013 declaring income of ₹ 13.90 crore. The same was assessed under section 143(3) of the Act (January 2016) by accepting the returned income. As per the assessment records the assessee had debited an expenditure of ₹ 2.06 crore on purchase of computers and peripherals treating it as revenue expenditure. As the expenditure on purchase of computer has the capability to give enduring benefits over a period of time it is a capital expenditure and cannot be allowed as revenue expenditure. As such revenue expenditure of ₹ 2.06 crore for purchase of computer and peripherals was required to be disallowed. However, assessee was eligible to claim depreciation at prescribed rates under section 32 of the Act on computer so capitalised. Failure to do so resulted in under assessment of income of ₹ 1.44 crore (after allowing depreciation) and consequent short levy of tax of ₹ 0.60 crore including interest of ₹ 0.15 crore under section 234B of the Act. ITD stated (September 2019) in its reply that a notice had been issued to the assessee under section 148 of the Act for reopening of the case.

b) Charge: PCIT-2, Surat

AY: 2014-15

The scrutiny assessment of the assessee, a Co-operative Credit Society assessed as an AOP, was completed under section 143(3) of the Act in June 2016 determining income of ₹ 0.67 crore. Audit noticed that assessee had claimed deduction under section 80P(2)(d) of the Act on interest income of ₹ 0.49 crore earned by depositing surplus funds with Co-operative Banks. As interest income earned from investment in Co-operative Banks is income from other sources, it was required to be disallowed. This omission had resulted in under assessment of income by ₹ 0.49 crore and short levy of tax of ₹ 0.19 crore. ITD has initiated remedial action under section 263 of the Act (March 2019) by setting aside the scrutiny assessment order passed under section 143(3) of the Act with the direction to frame a fresh assessment.

4.15 Summary of audit findings

- Audit noticed instances of non-compliance to provisions laid down in the Act with respect to allowances of deductions/ expenses/ set-off and carry forward of losses, mistakes in computation of tax and interest, non-deduction of TDS, non-levy of penalty etc. involving tax effect of ₹ 12,328.40 crore, in 858 cases. It is pertinent to note that the assessment process was automated and assessments were being completed through ITD systems and applications. This is indicative of there being weaknesses in assessment procedure and internal controls of ITD which need to be addressed.
- Adequate examination of cases during scrutiny was not done. In 131 cases out of scrutiny assessment cases, where the criteria for selection was 'Large Deductions under chapter VIA of the Act', the same was not adequately examined.
- Audit noticed instances of raising of demand, in cases where returned income was equal to the assessed income, at different stages of assessment viz. electronic processing of ITR, rectification, reassessment etc. Audit noticed several reasons for raising these demands such as accounting of pre-paid taxes at processing of ITR stage, advance tax deposited under wrong head not considered as payment by CPC Bengaluru etc. Such cases point to the fact that claims and payments data are not reconciled at the time of assessment.
- Audit examined cases involving high value additions made during assessment and noticed instances where deduction claimed under section 80P(4) of the Act was disallowed on the pretext that the Co-operative Society was engaged in banking business. The existing activity codes do not differentiate the Co-operative Banks from PACS. ITD should assign codes as per the nature of business or activity for effective monitoring.
- 20.7 per cent cases (151 observations) relate to entities which were not registered as AOPs. In absence of uniformity in PAN registration, category of similar class of assessees, in this case registered as Co-operative Society, the ITD will not be in position to derive meaningful information from data available with itself.

4.16 Recommendations

Audit recommends that:

- a) The CBDT may revisit the assessments involving errors and irregularities in computation of income, tax, interest etc. to ascertain the reasons for errors and put in place a robust IT system and internal control mechanism to eliminate possibility of avoidable errors and to ensure compliance to

provisions and conditions laid down under the Income Tax Act by the Assessing Officers. The CBDT may like to introduce a quality assurance mechanism to ensure that errors in computations of tax are minimized.

The CBDT replied (July 2020) that suitable remedial action is taken in cases where audit noticed mistakes. It was further stated during Exit Conference (July 2020) that the CBDT has notified faceless e-assessment scheme in September 2019 which has been introduced and extended to all types of assessees. This scheme has introduced the concept of Group assessment wherein the ITO makes an assessment, seeks approval of Joint Commissioner and thereafter such draft assessment orders are sent to review unit for review of draft assessment order which includes further examination of issues discussed/ additions made in the draft assessment order and checking of arithmetical correctness of modifications proposed. It was further stated that the examination undertaken in the FY 2020-21 would mostly be under e-assessment scheme and under this scheme the occurrence of such kinds of errors and mistakes will be reduced.

- b) The reasons for irregular allowance of inadmissible claims and items of expenditure and deductions despite there being clear provisions in the Act may be reviewed by CBDT. The ITD may identify items of expenses and deductions with higher propensity of irregular allowance and devise a checklist outlining the same for use by the Assessing Officers to prevent recurrence of irregular allowance.

The CBDT replied (July 2020) that the scrutiny assessments are conducted taking into account all the points as mentioned. However, suitable remedial action is taken in appropriate cases if any mistake is discovered subsequently during audit, review and inspection. It is further proposed to incorporate these issues in the proposed SOP so that the mistakes do not occur.

Audit noticed instances where Assessing Officers had made irregular allowance of expenses and deductions. Audit is of the view that the ITD may identify items of expenses and deductions with higher propensity of irregular allowance and devise a checklist outlining the same for use by the Assessing Officers to prevent recurrence of irregular allowance. This may be reviewed periodically. The CBDT may consider inclusion of the same in the Standard Operating Procedure proposed to be issued.

- c) The CBDT may ascertain whether the errors/ irregularities are errors of commission and take necessary action as per law in such cases. ITD may take remedial measures to prevent recurrence of errors and irregularities.

The CBDT replied (July 2020) that it is seen by the supervisory officers, whether the mistake is bona-fide or not. Suitable administrative action is taken wherever necessary.

Audit is of the view that the CBDT may ascertain whether the errors/irregularities are errors of commission and take necessary action as per law in such cases. ITD may take remedial measures to prevent recurrence of errors and irregularities.

- d) The CBDT may ensure that the ITD should focus on reconciliation of claims, through CPC-Bengaluru, actively, to resolve the differences in claims and payments and evolve means to avoid possibilities of non-matching of the same.

The CBDT replied (July 2020) that efforts are being made to proactively resolve the differences in claims and payments to avoid possibilities of non-matching of the same.

- e) The CBDT may consider assigning/ updating codes as per the nature of business or activity ascertained during assessment for effective monitoring of the claims of deduction as per the nature of activities undertaken by Co-operative Societies and Co-operative Banks.

The CBDT replied (July 2020) that in the instructions for filing ITR-5 for AY 2019-20, a Co-operative Society/ Co-operative Bank is required to furnish its status as follows: a) Primary Agricultural Credit Society or Co-operative Bank, b) other Co-operative Society, c) Rural Development Bank, d) other Co-operative Bank. It further stated that an assessee is required to provide its status in the ITR irrespective of its business activity carried out. Thus, necessary details are being captured in the ITR form. Further, a separate category for Primary Agricultural Societies and Co-operative Bank will be provided in the instructions for filing ITR-5 for AY 2020-21.

It was further stated during Exit Conference (July 2020) that the ITR forms of AY 2020-21 have been notified and utility forms are being finalized. In the current format the Co-operative Banks and PACS are kept under different categories and will not be clubbed. It was stated that there are 14 new codes for various deductions under section 80P of the Act. A taxpayer will have to categorise under schedule 80P which will capture appropriate code under which assessee is claiming the deduction. It was stated that implemented utilities are being finalized and once they are operational, it can be confirmed that these suggestions have been implemented.

The CBDT's contention that the status is getting captured in ITR form and as per the instructions for filing ITR-5 for AY 2019-20, a Co-operative Society/ Co-operative Bank is required to furnish its status as follows: a) Primary Agricultural Credit Society or Co-operative Bank, b) other Co-operative Society, c) Rural Development Bank, d) other Co-operative Bank is not acceptable as the status code specified for all AOP/BOI is 3 as per the instructions for filing ITR-5 for AY 2019-20 and the codification has not been specified in respect of categories mentioned in the sub-status under assessees classified as AOP/BOI. Audit is of the view that the codes may be updated to distinctly identify and capture Co-operative Banks and PACS.


- f) ITR-5 may capture list of all Members of a Co-operative Society, along with their PAN, for the previous year relevant to the Assessment Year of filing of return. Quoting of PAN may be made mandatory for deposits received above a threshold amount by Co-operative Societies. Further, the CBDT may consider reporting instances involving significant quantum of unexplained cash credits to the regulatory authorities (RBI, ROCS etc.) to facilitate monitoring of probable financial irregularities.

New Delhi
Dated: 19 November 2020


(Neelesh Kumar Sah)
Principal Director (Direct Taxes-II)

Countersigned

New Delhi
Dated: 20 November 2020


(Girish Chandra Murmu)
Comptroller and Auditor General of India

