

**IN THE INCOME TAX APPELLATE TRIBUNAL,
MUMBAI BENCH “G”, MUMBAI**

**BEFORE SHRI KULDIP SINGH, JUDICIAL MEMBER
AND
SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER**

**ITA No.158/M/2022
Assessment Year: 2017-18**

M/s. Survodaya Urban Co-operative Credit Society Ltd., Shop No.10, Bhavin Residency, V.V. Marg, Viva College Road, Virar (W) - 401303 PAN: AAIAS2432H	Vs.	CIT, National Faceless Assessment Centre, ITO, Ward 4(4), Thane
(Appellant)		(Respondent)

Present for:

Assessee by : None
Revenue by : Shri Kishor Dhule, D.R.

Date of Hearing : 21 . 06 . 2022
Date of Pronouncement : 29 . 07 . 2022

O R D E R

Per : Kuldip Singh, Judicial Member:

The appellant, M/s. Survodaya Urban Co-operative Credit Society Ltd. (hereinafter referred to as ‘the assessee’) by filing the present appeal, sought to set aside the impugned order dated 27.11.2021 passed by the National Faceless Appeal Centre(NFAC) [Commissioner of Income Tax (Appeals), Delhi] (hereinafter referred to as CIT(A)] qua the assessment year 2017-18 on the grounds inter alia that:

“1. AO has failed to consider the fact that assessee being co-op society, total income is deductible u/s 80P and not allowing the deduction under the said section.

2. AO has failed to consider the fact that the cash deposited by the assessee are genuine transaction made out of deposit from member having saving account with society only and considering it u/s 68 as unexplained income.

3. Relief prayed for may kindly be allowed and the order of the Assessing Officer may kindly be quashed, set aside, annulled or modified.”

2. Briefly stated facts necessary for adjudication of the controversy at hand are: assessee is a co-operative credit society registered under Maharashtra Co-operative Society’s Act, 1960 and Maharashtra Co-operative Society’s Rules, 1961, having business and objects as per by laws. Main object of the assessee is to provide financial assistance to all the members of the society under the provisions of Society Act. Assessee has been providing following services to its members viz. 1. giving loan to member, 2. Accepting Various type of deposit from Member 3. Giving information to member about co-operative society Act, 4. Enhancing Co-operative movements among members. Various types of loan facilities provided to members are 1 Personal Loan 2. Mortgage Loan 3. Loan against deposit 4. Educational Loan. Assessee is also accepting various types of deposits from members viz. 1. Saving Deposit 2. fixed Deposit 3. Daily Deposit 4. Recurring Deposit. For the year under assessment the assessee has not filed income tax return on the ground that surplus or deficit from society business was divided amongst the members of the society under the concept of mutuality. On the failure of filing necessary details by the assessee society and on filing information by Vasai Vikas Sahakari Bank Ltd., Virar and Punjab National

Bank, Virar branch to whom the notice under section 133(6) was issued AO noticed that the cash deposited of Rs.41,84,770/- in Vasai Vikas Sahakari Bank Ltd. and Rs.7,34,737/- in Punjab National Bank was deposited during the demonetization period. On failure of the assessee to explain AO proceeded to make addition of Rs.32,30,500/- under section 68 read with section 115BBE of the Act and thereby framed the assessment at the total income of Rs.37,41,116/- under section 144 of the Act.

3. Assessee carried the matter before the Ld. CIT(A) by way of filing appeal who has confirmed the addition by dismissing the appeal ex-parte. Feeling aggrieved assessee has come up before the Tribunal by way of filing present appeal.

4. Numerous notices issued to the assessee company through registered cover received back with remarks 'no claimant' and no other address of the assessee is available on record. So it appears that assessee is not interested in pursuing the present appeal. Hence, the Bench decided to decide this appeal on the basis of material available on record with the assistance of the Ld. D.R. for the Revenue.

5. We have heard the Ld. Departmental Representative for the Revenue, perused the orders passed by the Ld. Lower Revenue Authorities and documents available on record in the light of the facts and circumstances of the case and case law relied upon.

6. Bare perusal of the assessment order passed by the AO and impugned order passed by the Ld. CIT(A) goes to prove that before both the Ld. Lower Revenue Authorities, assessee reported to have

not appeared and the impugned orders have been passed ex-parte. At the same time, there is nothing on record if the alleged notices issued by the AO as well as Ld. CIT(A) have ever been served upon the assessee. When the assessee was not made to furnish any explanation before the AO as well as the Ld. CIT(A) by effecting its service, the adequate opportunity of being heard is not given to him. To substantiate the cause of justice and to stop the multiplicity of the proceedings opportunity of being heard is required to be given to the assessee. So in view of the matter, present appeal is remitted back to the AO to decide afresh after providing opportunity of being heard to the assessee. Resultantly, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open court on 29.07.2022.

**Sd/-
(S. RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

**Sd/-
(KULDIP SINGH)
JUDICIAL MEMBER**

Mumbai, Dated: 29.07.2022.

* Kishore, Sr. P.S.

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

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.