

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR BENCH, NAGPUR

BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER AND
SHRI K.M. ROY, ACCOUNTANT, MEMBER

ITA no.546/Nag./2024
(Assessment Year : 2022-23)

Radhakrishna Nagar Sahakari
Pat Sanstha Ltd., Buldhana Road
Malkapur 443 101 PAN – AAATR7656R

..... Appellant

v/s

Income Tax Officer
Ward-2, Khamgaon

..... Respondent

Assessee by : Shri Kapil Hirani
Revenue by : Shri Abhay Y. Marathe

Date of Hearing – 21/01/2025

Date of Order – 23/01/2025

ORDER

PER V. DURGA RAO, J.M.

The aforesaid appeal by the assessee is against the impugned order dated 20/08/2024, passed by the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, [*learned CIT(A)*], for the assessment year 2022-23.

2. In its appeal, the assessee has raised following grounds:-

"1. On the basis of the facts and in the circumstances of the case and as per law, the order passed by CIT (A) may please be set aside as the same is passed ex parte and without discussing the merits of the case.

2. On the basis of the facts, in the circumstances of the case and as per law, the CIT (A) is not justified in confirming the disallowance of deduction u/s. 80P of the Act of Rs. 94,96,805/- made by AO in respect of interest received on

investment made with co-operative banks when the said investments were made with commercial expediency.

3. On the basis of facts, in the circumstances of the case and as per law the CIT(A) is not justified in confirming the addition in respect of unsecured loans of Rs. 1,03,90,813/-.

4. The appellant craves for the addition to, deletion, alteration, modification of the above grounds of appeal.”

3. While going through the orders of the authorities below, we find that the assessee did not appear before the Assessing Officer during the assessment proceedings and the Assessing Officer was forced to passed ex-parte order by making various additions. While making additions, it is the observations of the Assessing Officer that the assessee failed to furnish details or documentary evidences in response to the statutory notices issued by him. We also find that the assessee also failed to appear before the learned CIT(A) during the first appellate proceedings. The learned CIT(A) observed that the assessee failed to comply with the statutory notices which remained non-complied by the assessee and hence the learned CIT(A) also passed the impugned order by dismissing the appeal filed by the assessee without going onto the merits of the issues raised by the assessee. Be that as it may. We are of the opinion that in the interest of justice and following the principles of natural justice, one opportunity is hereby granted to the assessee to substantiate the case before the Assessing Officer. Consequently, we set aside the impugned order passed by the learned CIT(A) and restore the entire matter to the file of the Assessing Officer for denovo adjudication after providing reasonable opportunity of being heard to the assessee. The assessee is also directed to be prompt in adhering to the statutory notices to

be issued by the Assessing Officer without seeking any adjournment, except in exceptional case.

4. Given the assessee's lackadaisical approach in non-compliance and procedural delays, we deem it fit and appropriate to impose a cost on the assessee for an amount of ₹ 10,000 (Rupees Ten Thousand Only) for the said appeal payable to the Maharashtra State Legal Services Authority and produce evidence of payment before the Assessing Officer. This cost underscores the importance of adhering to procedural requirements and timely compliance during assessment and appellate proceedings.

5. Subject to the condition as stated in Para-4 above, in the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 23/01/2025

Sd/-
K.M. ROY
ACCOUNTANT MEMBER

Sd/-
V. DURGA RAO
JUDICIAL MEMBER

NAGPUR, DATED: 23/01/2025

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Nagpur; and
- (5) Guard file.

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

Sr. Private Secretary
ITAT, Nagpur