

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR "SMC" BENCH : NAGPUR

BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER

ITA.No.595/NAG./2024
Assessment Year 2017-2018

Sadbhawana Gramin Bigar Sheti Sahakari Pat Sanstha, Nagardhan, RAMTEK – 441 106. PAN AADAS0229F Maharashtra.	vs.	The Income Tax Officer, Ward-3(5), BSNL RTTC Bldg., NAGPUR. Maharashtra.
(Appellant)		(Respondent)

For Assessee :	Shri Suresh Jagwani, C.A.
For Revenue :	Shri Abhay Y. Marathe, Sr. DR

Date of Hearing :	28.01.2025
Date of Pronouncement :	03.02.2025

ORDER

PER V. DURGA RAO, J.M. :

This appeal has been filed by the assessee against the order dated 18.12.2023, of the learned CIT(A)-National Faceless Appeal Centre, Delhi, relating to assessment year 2017-2018.

2. Briefly stated facts of the case are that the assessee is a co-op society engaged in the business of banking and providing credit facilities to it's members and

registered under Maharashtra Co-operative Societies Act, 1960. During the assessment year 2018-2019, the assessee society did not file its return of income. The Department was in possession of information on ITD system that the assessee society has deposited cash in bank account amounting to Rs.27,10,955/- maintained with UCO Bank, Nagardhan District, Nagpur, during demonetization period i.e., from 09.11.2016 to 30.12.2016. The total amount of deposited cash in bank was Rs.2,37,29,013/- for the impugned assessment year 2017-2018. Therefore, the Assessing Officer issued statutory notice u/sec.142(1) of the Act requesting the assessee to furnish correct and true return of income. Since the assessee did not file any reply to the notice, a show cause notice was issued u/sec.144 of the Act and e-served and also physical form by post on 10.05.2019. In response to the said notices, the assessee-society furnished copy of balance sheet, P & L A/c, daily collection list of members, registration certificate of society, list of members, bye laws, deposit slip and bank statement etc., However, since the assessee failed to furnish source of cash

deposits, the Assessing Officer treated it as unexplained cash u/sec.69A of the Act of Rs.27,10,955/- and added to the total income of the assessee. The Assessing Officer also added a sum of Rs.80,017/- u/sec.80P of the Act as the assessee failed to file it's return of income. The Assessing Officer also disallowed expenses to the tune of Rs.13,04,305/-. Thus, the Assessing Officer determined the total income of the assessee at Rs.40,93,780/- vide ex-parte order dated 05.12.2019 passed u/sec.144 of the Act.

3. On being aggrieved by the order of the Assessing Officer, the assessee carried the matter in appeal before the learned CIT(A), who also passed ex-parte order u/sec.144 of the Act by confirming the additions made by the Assessing Officer in absence of any specific explanation with regard to source of cash deposited in it's bank, in absence of return of income, addition made on account of Sec.80P deduction and expenses claimed.

4. Aggrieved by the order of the Learned CIT(A), the assessee carried the matter in appeal before the Tribunal contending, inter alia, that the additions made by the

Assessing Officer and sustained by the Learned CIT(A) are not in accordance with law and the authorities are not properly appreciated the explanation offered by the assessee and documents placed on record. He, accordingly, submitted that the additions sustained by the learned CIT(A) be deleted.

5. The Learned DR on the other hand strongly relied on the orders of the lower authorities. He submitted that the assessee is a society and it is the bounden duty of the society to file its return of income. Despite issuance of notices, the assessee society did not file its return income and therefore, the Assessing Officer was rightly made the impugned additions which have been sustained by the learned CIT(A) in absence of return of income and documentary evidence in support of its claim. He, accordingly, pleaded that the order of the learned CIT(A) be confirmed and the grounds raised by the assessee be dismissed.

6. I have heard the rival submissions of both the parties, perused the orders of the authorities below and material on record. I find force in the arguments of the Learned DR. I note that the assessee is a society and as such,

the assessee has to file return of income for the impugned assessment year 2017-2018. Despite issuance of statutory notices u/sec.142(1) and show cause notice u/sec.144 of the Act by the Assessing Officer, the assessee society did not chose to file it's return of income. Therefore, the Assessing Officer made the impugned additions by determining the total income of the assessee at Rs.40,93,777/- in absence of explanation from the side of the assessee society. Even during the appellate proceedings also the assessee did not furnish sufficient documentary evidence(s) with respect to the additions made by the Assessing Officer and, therefore, the learned CIT(A), had sustained the additions made by the Assessing Officer vide his ex-parte order passed u/sec.144 of the Act. From the perusal of the orders of the authorities below, I note that the assessee is all along negligent in filing it's return of income and in absence of such return, the learned CIT(A) sustained the addition made on account of sec.80P deduction and disallowed the expenses. Further the assessee society also not furnished source of cash deposit in bank account. In view of the above lackadaisical approach of

the assessee-society in substantiating its case, I, find no infirmity in the order of the learned CIT(A) and I, accordingly, confirm the same. The grounds raised by the assessee-society are dismissed.

7. In the result, appeal filed by the assessee is dismissed.

Order pronounced in the open Court on 03.02.2025.

Sd/-
(V. DURGA RAO)
JUDICIAL MEMBER

Nagpur, Dated 03rd February, 2025

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	The CIT(A), Nagpur concerned
4.	The CIT, Nagpur concerned
5.	The D.R. ITAT, Nagpur SMC-Bench, Nagpur
6.	Guard File.

//By Order//

//True Copy//

Sr. Private Secretary : ITAT : Nagpur Bench
NAGPUR.