



**IN THE INCOME TAX APPELLATE TRIBUNAL  
JABALPUR BENCH "DB", JABALPUR**

**BEFORE SHRI KUL BHARAT, VICE PRESIDENT AND  
SHRI, NIKHIL CHOUDHARY, ACCOUNTANT MEMBER**

ITA No. 151/JAB/2024  
Assessment Year: 2019-20

<b>Prathmik Krishi Sakh Sahakari Samiti Maryadit Jerath</b> Gram Jerath, Pathariya, Damoh-470661.	v.	<b>ITO Ward Narsinghpur</b> Income Tax Office, Trimurti Nagar, Housing Board Colony, Narsinghpur-487001.
<b>PAN:AABAP7893E</b>		
(Appellant)		(Respondent)

Appellant by:	Shri Sapan Usrethe, Adv		
Respondent by:	Shri Alok Bhura, Sr DR		
Date of hearing:	20	05	2025
Date of pronouncement:	30	06	2025

**ORDER**

**PER NIKHIL CHOUDHARY, ACCOUNTANT MEMBER.:**

This is an appeal filed by the assessee against the order of the learned Commissioner Income Tax (Appeals)/NFAC, Delhi u/s 250 of the Income Tax Act, 1961 ("Act", for short) dated 29.08.2024 wherein the Ld. CIT(A) has dismissed the appeal of the assessee that was filed against the orders of the Assessing Officer u/s 147 r.w.s. 144 of the Act on 21.02.2024. The grounds of appeal are as under: -

*"1. The learned Commissioner of Income tax (Appeal) NFAC was not justified in passing exparte order without appreciating that appellant was prevented with reasonable cause in not filing the response as society was not aware of fixation of case and society was at remote area and are not conversant with income tax and thus appellant was not able to file response.*

*2. The learned Commissioner of Income tax (Appeal) NFAC was not justified in quashing the assessment proceeding as notice issued under section 148 is violative of Section 151(1), 144B of the Act, and the "Faceless Jurisdiction of the Income Tax Authorities Scheme, 2022," as well as the "E-Assessment of Income Escaping Assessment Scheme, 2022" promulgated by the CBDT and | hence as the notice issued under section 148 itself is bad as it was issued by JAO and therefore subsequent assessment proceeding is also liable to be quashed.*

3. The learned Commissioner of Income tax (Appeal) NFAC was not justified in appreciating that assessment order passed under section 144B of the Act is without following the procedure as the appellant has filed the reply which was not considered by the AO, further no notice was issued through verification unit seeking further reply.

4. The learned Commissioner of Income tax (Appeal) NFAC was not justified in confirming the action of AO in making addition of Rs. 5,89,76.696/- on account of cash deposit as the amount was deposited by the Farmer as part of loan recovery/PDS Sale and is recorded in the cash book and addition was made without considering the reply filed during the assessment proceeding.

5. The learned Commissioner of Income tax (Appeal) NFAC was not justified in Confirming the addition made by the AO without appreciating the fact that the assessee is covered under section 80P of the Act as it is registered co-operative society and engaged in banking business and agriculture work and is maintaining proper books of accounts and was covered under section 80P of the IT Act.

6. The learned Commissioner of Income tax (Appeal) NFAC was not justified in confirming the action of AO in making addition of Rs.5,28,773/on account of Business income without considering that the amount of Rs. 3,88,381/receive as Commission and Contractual and amount of Rs. 140392/Expenses reimbursement from THE MP STATE COOPERATIVE MARKETING FEDERATION LIMITED DAMOH for support price purchase of Paddy and wheat from its member the above activity . cover under 80P deduction.

7. The learned Commissioner of Income tax (Appeal) NFAC was not justified in confirming the action of AO in making addition of Rs.12695/on account of: income from other source being interest received from bank without appreciating the facts that appellant society is in loss and no addition is called for.

8. The learned Commissioner of Income tax (Appeal) NFAC was not justified in confirming the additions made by the AO without appreciating that appellant has incurred loss during the year and no addition is called for as appellant is maintaining proper books of accounts and was also audited under the Cooperative Act.

9. The learned Commissioner of Income tax (Appeal) NFAC was not justified in appreciating that AO should have coordinated with the PCIT with regard to the benefit of circular No.13/2023 as during the course of assessment proceeding appellant have duly submitted that in view of circular the appellant is entitled for exemption and application under section 119(2)(b) is pending.”

2. The facts of the case are that the Assessing Officer received information through ITBA software that the assessee had made cash deposits of Rs.5,89,76,696/-; made contract payments of Rs.1,40,392/-; made commission payments of Rs.3,88,381/- and received interest of Rs.12,695/- but not filed any income tax return for the year under consideration. Accordingly, after following the necessary procedure a notice u/s 148 of the Act was issued. However, the assessee did not make compliance to the said notice resulting in further notices u/s 142(1) of the Act which also remained uncompiled with. Finally, the Assessing

Officer proceeded to make an assessment on a best judgment basis and added the total amount of Rs.5,89,76,696/- as the income of the assessee u/s 69A of the Act; Rs.5,28,773/- as business income and Rs.12,695/- as income from other sources, thereby determining the income of the assessee at Rs.5,95,18,164/-.

3. Aggrieved with the assessment, the assessee went in appeal before the Ld. CIT(A), the Ld. CIT(A) records that he issued six notices to the assessee for hearing but did not receive any compliance to anyone of them. He, therefore, concluded that the assessee was not interested in making representation before him and therefore, he decided to proceed with the case on the basis of grounds of appeal and statement of facts filed by the assessee. However, in response of most of the grounds of appeal raised by the assessee, he took the plea that since the assessee had not furnished any arguments or submissions in support of the said grounds of appeal, they were fit to be dismissed. On the ground of disallowance of deduction u/s 80P of the Act, he held that since the return had not been filed on time, the deduction u/s 80P of the Act was not allowable. Thus, all grounds that were preferred by the assessee were dismissed by Ld. CIT(A).

4. The assessee is aggrieved at this summary disposal of his appeal. Shri Sapan Usrethe, Adv appearing on behalf of the assessee submitted that the assessee is a primary co-operative society located in a remote area and was not well versed with the income tax procedure or with the computer system as a result of which it could not make proper compliance to the notices issued by the Assessing Officer or the Ld. CIT(A). It was further submitted that amount of Rs.5,89,76,696/- was amount

deposited by the farmers as part of loan recovery of PDS Sale and was recorded in the cash book of the assessee and even though the replies had been filed during the assessment proceedings, same had not been considered. It was further submitted that the amount of Rs.5,28,773/- were commission and expenses reimbursement that had been received by assessee from MP State Co-operative Marketing Federation Ltd for support price purchase of Paddy and Wheat from its members and that the amount was fully covered under 80P of the Act. Furthermore, it was submitted that the assessee was covered under 80P of the Act as it was a registered co-operative society engaged in banking business and agriculture work and was maintaining proper books of accounts. It was further submitted that the assessee society had incurred a loss during the year and it was maintaining the proper books of accounts, therefore there was no reason to add this amount back to the income of the assessee even otherwise. It was further submitted that the assessee had submitted an application u/s 119(2)(b) before the Ld. PCIT for the benefit of Circular No.13/2023 but the same was still pending for a decision. Accordingly, it was prayed that the matter may kindly be restored the matter back to the file of the AO so that the correct facts could be brought on record and the additions may be deleted.

5. On the contrary, Shri Alok Bhura, Sr. DR, submitted that the assessee had not filed a return and therefore was not entitled to the deduction u/s 80P of the Act. It had also not filed any explanation with regard to huge cash deposited made into two accounts. It was submitted that the assessee had not being able

to show that there were any genuine reasons for non-compliance and therefore the additions deserved to be confirmed.

6. We have duly considered the facts and circumstances of the case. We have noted that the Ld. AR of the assessee had submitted that the assessee society is running in a loss and therefore there is no justification for making the additions made by the Assessing Officer, as all the points on which additions have been made are duly recorded in its books of accounts which are properly maintained. In view of the above, we deem it appropriate in the interest of justice to restore the matter back to the file of the AO so that the assessee may produce its books of accounts and justify its claim before the Assessing Officer, who may thereafter take a fresh decision in accordance with law after considering these evidences. Accordingly, the matter is restored back to the file of the Assessing Officer for consideration.

7. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 30/06/2025.

Sd/-  
[KUL BHARAT]  
VICE PRESIDENT

Sd/-  
[NIKHIL CHOUDHARY]  
ACCOUNTANT MEMBER

DATED: 30/06/2025

Vijay Pal Singh, (Sr. PS)

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent
3. The CIT (Judicial)
4. The PCIT
5. DR, ITAT, Jabalpur
6. Guard File

By order

// True Copy//

Assistant Registrar  
ITAT, Jabalpur