

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH****BEFORE SHRI INTURI RAMA RAO, AM
AND SONJOY SARMA, JM****ITA No.70/Coch/2025
Assessment Year:2020-21**

Neerikode Service Cooperative Bank Ltd Appellant
Neerikode P.O.,
Alangad, Kerala.
PAN: AABAT2626H

vs.

Income Tax Officer Respondent
Ward-3,
Aluva.

Appellant by: Shri Arun Raj S, Advocate
Respondent by: Sri Suresh Sivanandan, CIT-DR

Date of Hearing: 03.06.2025
Date of Pronouncement: 30.06.2025

ORDER**Per: Inturi Rama Rao, AM**

This appeal filed by the assessee is directed against the order of the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi (in short CIT(A)), dated 19/12/2024 for Assessment Year (AY) 2020-21.

2. Briefly the facts of the case are that the appellant is duly registered under the Kerala Cooperative Societies Act, 1969. It is engaged in the

business of accepting deposits from members and providing credit facilities to its members. The Return of Income for the AY 2020-21 was filed on 15/01/2021 declaring NIL income after claiming deduction U/s. 80P of the Income Tax Act, 1961 (in short “the Act”). Against the said return of income, the assessment was completed by National Faceless Assessment Centre, Delhi (hereinafter referred to “Assessing Authority”) vide order dated 24/09/2022 passed U/s. 143(3) r.w.s 144B of the Income Tax Act, 1961 (in short “the Act”) at a total income of Rs. 47,20,94,972/- after making disallowance of assessee’s claim for deduction of Rs. 4,57,32,452/- U/s. 80P; addition U/s.68 of Rs. 28,75,23,859/-; disallowance of interest U/s. 37 of Rs. 13,58,04,206/- and addition U/s.69 of Rs. 30,34,455/- for the failure of the assessee to comply with the hearing notices. Thus, assessment was completed ex-parte.

3. Being aggrieved by the above assessment order, an appeal was filed before the CIT(A), who vide the impugned order dismissed the appeal for non-prosecution.

4. Being aggrieved, the appellant is in appeal before us in the present appeal.

5. It is submitted that the appellant could not comply with the hearing notices issued by the CIT(A) as the hearing notices were not served in the physical mode and the notices were sent through email which went unnoticed. Therefore, it is prayed that the order passed by the CIT(A) may be set-aside and the matter may be remanded back to the file of the CIT(A).

6. On the other hand, the Ld. CIT-DR opposed the submissions of assessee and submits that the appellant had not complied with the notices issued by the CIT(A)-NFAC as well as the Assessing Authority and therefore, no indulgence is required to be granted to the assessee.

7. We have heard the rival submissions and perused the material available on record. From the reading of CIT(A)'s order, it is evident that the CIT(A)-NFAC had dismissed the appeal in limine for non-prosecution. As contemplated u/s. 250(6) of the Act the CIT(A) is required to frame points of determination followed by a detailed discussion thereupon before passing the order. It is the settled position of law that the CIT(A), even while disposing of the appeal exparte, is duty bound to dispose of the appeal on merits. Reliance in this regard can be placed on the decision of the Hon'ble Bombay High Court in the case of PCIT vs. Premkumar Arjundas Luthra 279 CTR 614. Therefore, in the light of the above legal position we are of the considered view that the matter requires to be remanded to the file of the CIT(A) with a direction to dispose of the appeal de novo on merits after affording reasonable opportunity of hearing to the assessee.

8. In the result, appeal filed by the assessee is partly allowed.

Order pronounced in the open court on 30th June, 2025.

Sd/-

(SONJOY SARMA)
JUDICIAL MEMBER

Cochin, Dated: 30th June, 2025

okk sps

Sd/-

(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

Assistant Registrar
ITAT, Cochin