

IN THE INCOME TAX APPELLATE TRIBUNAL PANAJI BENCH
PANAJI

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER &
SHRI G D PADMAHSHALI ACCOUNTANT MEMBER

I T A. Nos.108/PAN/2025
(A.Y. 2017-18)

The Bramhaling Multi Pupose Co-op Society Ltd, 1, Ramghat Road, Benkanhalli, Belgaum-591108, Karnataka.	Vs.	I T O, National e Assessment Centre, Delhi. .
PAN .No.AABAB8447J		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	None(letter 4-08-25)
Revenue by	Smt.Rijula Uniyal.Sr.DR

सुनवाई की तारीख/Date of Hearing	6.08.2025
घोषणा की तारीख/Date of Pronouncement	7.08.2025

ORDER

PER PAVAN KUMAR GADALE, JM:

The appeal is filed by the assessee against the order of National Faceless Appeal Centre (NFAC) Delhi / CIT(A) passed u/sec 271D and u/sec 250 of the Act. The assessee has raised the grounds of appeal challenging the ex-parte order of the CIT(A) sustaining the levy of penalty u/sec271D of the Act.

2. The brief facts of the case are that, the assessee is a cooperative credit society and has filed the return of income for the A.Y 2017-18 disclosing a total income of

Rs.Nil after claiming deduction of Rs.3,35,837/- u/sec 80P of the Act. Subsequently the case was selected for scrutiny under CASS to verify the large cash deposits during demonetization period and notice u/sec143(2) and u/sec 142(1) of the Act are issued calling for details. The A.O. was not satisfied with the explanations of the assessee and denied the claim of deduction u/sec80P of the act and assessed the total income of Rs.3,35,837/- and passed the order u/sec 143(3) of the Act dated 19.11.2019. Subsequently the order u/secn143(3) of the Act was set aside u/sec263 of the Act vide order dated 30.03.2022 to make fresh assessment after examining the cash deposits during the demonetization period. The A.O as per the directions in the revision order u/sec263 of the Act has issued notice to the assessee to explain the sources of cash deposits, and since there was no proper compliance, the A.O has made addition u/sec68 of the Act of Rs.44,01,000/- and similarly disallowed the bad debt claim of Rs.70,000/-and finally assessed the total income of Rs.48,06,837/- and passed the order U/sec143(3) r.w.s263 r.w,s144B of the Act.

3. Subsequently, the A.O. has initiated penalty proceedings u/sec 271D of the Act for accepting the cash exceeding Rs.20,000/- from various persons in violation of provisions of section 269SS of the Act and the A.O has issued show cause notice. The assessee has complied with the information and filed the explanations. Whereas, the

AO was not satisfied with the submissions and levied a penalty of Rs.3,87,700/- and passed the order u/s 271D of the Act dated 19-09-2023.

4. Aggrieved by the penalty order, the assessee has filed an appeal before the CIT(A), whereas the CIT(A) has considered the grounds of appeal, statement of facts and findings of the penalty proceedings and has issued notices of hearing and since there was no compliance by the assessee to notices. Therefore the CIT(A) considering the information on record has dismissed the appeal. Aggrieved by the order of the CIT(A), the assessee has filed an appeal before the Hon'ble Tribunal.

5. We heard the Ld DR submissions and perused the material on record. Prima-facie the CIT(A) has passed the order considering the fact that there is no compliance nor appearance in spite of providing adequate opportunity of hearing and the notices were issued. Therefore, the CIT(A) was of the opinion that the assessee is not interested in prosecuting the appeal and passed the ex parte order. The CIT(A) has issued the notices of hearing on various dates referred at Para 4 of the order and there was no response and thus the Ld.CIT(A) came to a conclusion that the assessee is not interested and decided the appeal based on the information available on record. Whereas the assessee has raised grounds of appeal challenging the penalty levied by the A.O and there could be various reasons for non appearance which cannot be overruled. Therefore,

considering the facts and principles of natural justice, we shall provide with one more opportunity of hearing to the assessee to substantiate the case with evidences and information. Accordingly, we set aside the order of the CIT(A) and remit the disputed issue to the file of the CIT(A) to adjudicate afresh and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting the information for early disposal of the Appeal. And, we allow the grounds of appeal of the assessee for statistical purpose.

6. In the result, the appeal filed by assessee is allowed for statistical purposes.

Order pronounced in the open court on 07.08.2025.

-S/d-

(GD PADMAHSHALI)
ACCOUNTANT MEMBER

Panaji Dated: 07/08/2025

-S/d-

(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Copy of the Order forwarded to:

1. The Appellant,
2. The Respondent
3. The CIT(A)-
4. CIT
5. DR, ITAT,
6. Guard file.

//True Copy//

BY ORDER,
(Asstt. Registrar)ITAT,

Panaji

		Date	<u>Initial</u>	
1.	Draft dictated on			PS
2.	Draft placed before author			PS
3.	Draft proposed & placed before the second member			PS
4.	Draft discussed/approved by Second Member.			PS
5.	Approved Draft comes to the Sr.PS/PS			PS
6.	Kept for pronouncement on			
7.	File sent to the Bench Clerk			
8.	Date on which file goes to the AR			
9.	Date on which file goes to the Head Clerk.			
10.	Date of dispatch of Order.			
11.	Dictation Pad is enclosed			