

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.110/PAN/2025
(A.Y.2017-18)

Mata Mahalaxmi Soudharada Pattin Sahakari Niyamit, H.no.496, 1 st floor, Opp:Syndicate Bank Main Road,Karwar, North Kanara-581301, Karnataka.	Vs.	ITO-Ward-1, Santeri Krupa, Kanga Road, Habbuwada, Karwar-581306, Karnataka.
PAN .No.AADAM0337N		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	Shri.S.Srinivas Kamath.AR
Revenue by	Shri.Sanket Deshmukh.Sr.DR

सुनवाई की तारीख/Date of Hearing	18.08.2025
घोषणा की तारीख/Date of Pronouncement	20.08.2025

ORDER

PER PAVAN KUMAR GADALE, JM:

The appeal is filed by the assessee against the order of ADDL/JCIT(A) Gwalior passed u/sec143(3) and U/sec 250 of the Act. The assessee has raised the grounds of appeal challenging the order of the CIT(A) sustaining (i)the disallowance u/sec40(a)(ia) of the Act and(ii) denial of claim of deduction u/sec80P(2) of the Act by the Assessing Officer.

2. At the time of hearing, the Ld.AR brought to the knowledge of the bench, that there is a delay of 24 days in filing the appeal before the Hon'ble Tribunal and the assessee has filed the affidavit for condonation of delay. Whereas, the facts mentioned in the affidavit are reasonable and the Ld. DR has no specific objections. Accordingly, we condone the delay and admit the appeal.

3. 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.8,01,686/- u/sec 80P(2) of the Act. Subsequently the case was selected for complete scrutiny under CASS. Further notice u/sec143 (2) and u/sec 142(1) of the Act are issued calling for details in support of return of income filed. In compliance, the assessee has filed the details of members, list of depositors, and other details/ documents from time to time. Whereas the Assessing Officer (A.O.) was not satisfied with the explanations of the assessee and denied the claim of deduction u/sec80P of the act and similarly made disallowance of commission u/sec 40(a)(ai) of the Act of Rs.1,95,164 and assessed the total income of Rs.9,96,830/- and passed the order u/sec 143(3) of the Act dated 11.12.2019.

4. Aggrieved by the 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

AO and has issued notices of hearing and since there was no proper 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. At the time of hearing, the Ld.AR submitted that the CIT(A) has erred in confirming the action of the Assessing officer overlooking the information of the assessment proceedings. Further the assessee has a good case on merits and shall substantiate with the material evidences and prayed for an opportunity to explain before the lower authorities. Per Contra, the Ld.DR supported the order of the CIT(A).

6. We heard the rival 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 five notices of hearing on various dates referred at Page 3 of the order and there was no proper 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

denial of claim of deduction u/sec80P (2) of the Act and disallowance u/sec40(a)(ai) of the Act made 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.

7. In the result, the appeal filed by the assessee is allowed for statistical purpose.

Order pronounced in the open court on 20.08.2025.

-S/d-

**(GD PADMAHSHALI)
ACCOUNTANT MEMBER**

Panaji Dated: 20/08/2025

-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			