

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

**BEFORE SHRI INTURI RAMA RAO, AM
AND SHRI SONJOY SARMA, JM**

**ITA No. 354/Coch/2025
Assessment Year: 2012-13**

Kerala Motor Transport Workers Appellant
Welfare Fund Board
Jayam Building, Kollam Bazar, Kollam 691001
[PAN: AAATK1714D]

vs.

The Income Tax Officer (Exemption), Kollam Respondent

Appellant by: Shri Rjeev R., CA
Respondent by: Shri Sanjit Kumar Das, CIT-DR

Date of Hearing: 13.06.2025
Date of Pronouncement: 31.07.2025

ORDER

Per: Inturi Rama Rao, AM

This appeal filed by the assessee is directed against the order of the Commissioner of Income Tax (Appeals)-1, Bengaluru [CIT(A)] dated 12.03.2025 for Assessment Year (AY) 2012-13.

2. Brief facts of the case are that the appellant is a Board constituted by the Government of Kerala under the Kerala Motor Transport Workers Welfare Fund Scheme, 1985. The Board applies income for application wholly and exclusively for the purpose for which it was established. It was claimed that the income of the

Board is eligible for exemption u/s. 10(23C)(iv) of the Income Tax Act, 1961 (the Act). The return of income for AY 2012-13 was filed on 26.09.2012 disclosing Nil income and the same was revised on 26.03.2013. Against the said return of income, the assessment was completed by the ITO (Exemption), Kollam (hereinafter called "the AO") vide order dated 18.03.2015 passed u/s. 143(3) of the Act at a total income of Rs. 34,86,41,163/-. While doing so, the AO brought to tax the excess of income over application of income by Rs. 34,86,41,163/- as taxable income of the appellant.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order dismissed the appeal for non prosecution without adjudicating the issues in the appeal on merits.

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

5. We find that the learned CIT(A) 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 the direction to dispose of the appeal de novo on merits after affording reasonable opportunity of hearing to the assessee.

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

Order pronounced in the open court on 31st July, 2025.

Sd/-
(SONJOY SARMA)
JUDICIAL MEMBER

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 31st July, 2025

n.p.

Copy to:

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

By Order

Assistant Registrar
ITAT, Cochin