

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

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| Vividoddhesh Prathamik Grameen Krushi Sahakar Sangh Ni,Sanikoppa, Bailhongal, Belagavi-591102, Karnataka. | Vs | ITO-Ward-1, Civil Hospital Road, Belagavi-590001. Karnataka. |
| PAN .No. AACAP0110D | | |
| (अपीलार्थी/Appellant) | | (प्रत्यर्थी/Respondent) |

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| Assessee by | Shri.Veeranna Murgod.AR |
| Revenue by | Smt Rijula Uniyal.Sr.DR |

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| सुनवाई की तारीख/Date of Hearing | 04.08.2025 |
| घोषणा की तारीख/Date of Pronouncement | 05.08.2025 |

ORDER

PER PAVAN KUMAR GADALE, JM:

The appeal is filed by the assessee against the order of NFAC/CIT(A) passed u/sec 144 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 addition u/sec68 of the Act and denial of claim u/sec80P of the Act by the Assessing Officer.

2. The brief facts of the case are that, the assessee is a cooperative society engaged in providing the credit facilities to members. The Assessing Officer (AO) based on the information and data analytics/ cash deposits data found that the assessee has made cash deposits in The

Belgaum District Central Co-Op Bank Ltd during the demonetization period and the assessee has not filed the return of income and the notice U/sec 142(1) of the Act along with questionnaire was issued and there was no compliance. Whereas the A.O found that the assessee has made the cash deposit of Rs.10,20,000/- in the bank account in the F.Y.2016-17 and explanations were called to substantiate the deposits. Since, no explanations/details were filed, the AO considering the information available on record has invoked the provisions of Sec.144 of the Act and made addition of (i) cash deposits of Rs.10,20,000/- u/sec 68 of the Act and (ii) denied the claim of deduction u/sec 80P of the Act of Rs.1,11,567/- and finally assessed the total income of Rs.11,31,570/- and passed the order u/sec 144 of the Act dated 09.12.2019.

3. 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 compliance by the assessee to notices. Therefore the CIT(A) considering the information on record has confirmed the action of the A.O and dismissed the appeal. Aggrieved by the order of the CIT(A), the assessee has filed an appeal before the Hon'ble Tribunal.

4. 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).

5. 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 dismissed the appeal ex-parte confirming the action of the assessing officer. The CIT(A) has issued the notices of hearing on various dates referred at Page 5 Para 4 of the order but 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 additions 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 subject to payment of cost of Rs.1000/- to the income tax department within one month from the date of

receipt of the order and produce the proof of payment. Accordingly, we set aside the order of the CIT(A) and remit the entire disputed issues to the file of the CIT(A) to adjudicate afresh on the disputed issue and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting the information. And we allow the grounds of appeal of the assessee for statistical purposes.

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

Order pronounced in the open court on 05.08.2025.

Sd/-
(GD PADMAHSHALI)
ACCOUNTANT MEMBER
Panaji Dated: 05/08/2025

Sd/-
(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 | | | |