

IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH PANAJI

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER
I T A. Nos.147/PAN/2025
(A.Y. 2017-18)

Laxmi Saraswati credit Cooperative Society , Anjuman College Road, Bhatkal, Uttarakannada, Karnataka-581320.	Vs .	ITO-Ward-2, 1 st floor,Santeri Krupa, Kalga Road, Habbuwada,Karwar, Uttara Kannada- Karnataka-581306.
PAN .No. AAEAS2562C		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	Shri.Varun Bhat.AR
Revenue by	Smt.Manju Thakur.Sr.DR

सुनवाई की तारीख/Date of Hearing	09.09.2025
घोषणा की तारीख/Date of Pronouncement	10.09.2025

ORDER

PER PAVAN KUMAR GADALE, JM:

The appeal is filed by the assessee against the order of the Addl /JCIT(A) Prayagraj passed u/sec 143(3) and u/sec 250 of the Act.

2. At the time of hearing, the Ld.AR of the assessee submitted that there is a delay in filing the appeal before the Hon'ble Tribunal and the assessee has filed the application and affidavit for condonation of the 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. The assessee has raised the grounds of appeal challenging

the ex parte order of the CIT(A) sustaining the denial of claim of deduction u/sec80P of the Act and disallowance u/sec40(a)(ia) of the Act made by the Assessing Officer.

3. The brief facts of the case are that, the assessee is a cooperative credit society engaged in providing credit facilities to its members. The assessee has filed the return of income for the A.Y 2017-18 on 08.11.2017 disclosing a total income of Rs.Nil after claiming deduction u/sec 80P of the Act of Rs.23,20,646/-.Subsequently the case was selected for limited scrutiny under CASS and notice u/sec143 (2) and u/sec 142(1) of the Act are issued calling for details in respect of claims and the information supporting the return of income filed. The assessee has filed the details and the Assessing Officer (A.O) has dealt on the submissions/details and find that the assessee has claimed deduction u/sec80P2(d) of the Act on the interest income from the cooperative banks and scheduled banks and clarification were called from the assessee. Whereas the A.O was not satisfied with the explanations and dealt on the provisions and judicial decisions and has denied the claim of deduction u/sec 80P of the Act of Rs.23,20,646/-and also made disallowance u/se 40(a)(ai) of the Act of Rs.48,496/- and assessed the total income of Rs.23,69,140/- and passed the order u/sec143(3) of the Act dated 5.12.2019.

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 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.

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 and supported the submissions with the factual paper book. Per Contra, the Ld.DR supported the order of the CIT(A).

6. 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 proper compliance 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 confirming the action of the assessing officer. The CIT(A) has issued the notices of hearing on various dates i.e 18.01.2021, 7.07.2022, 17.08.2023, 24.09.2024 and 18.10.2024 referred at Page 14 Para 8.1 of the order but there

was no response and thus the Ld.CIT(A) 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 of the Act and disallowance u/sec 40(a)(ia) of the Act made by the Assessing Officer and there could be various reasons for no compliance, which cannot be overruled. Further the Ld.AR mentioned that the assessee has a good case on merits and shall substantiate with the material evidences. Therefore, considering the facts, submissions and principles of natural justice, the assessee shall be provided with one more opportunity of hearing to the assessee to substantiate the case with evidences and information. Accordingly, 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 issues and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting the information. And the grounds of appeal of the assessee are allowed for statistical purposes.

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

Order pronounced in the open court on 10.09.2025.

-S/d-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Panaji Dated: 10/09/2025

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			

