

IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH, NAGPUR

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

ITA no.398/NAG/2025
(Assessment Year : 2018-19)

Mahatma Fuley Gramin Bigar Sheti
Sahakari Pat Sanstha,
Karajgaon Taluka, Anjangaon Surji
Amravati-444805,
Maharashtra.
PAN-AABAM2153Q

..... Appellant

v/s

Income Tax Officer
Ward-3, Saturna, Amravati-444601,
Maharashtra.

..... Respondent

Assessee by : Shri Ratan Sharma. A.R.
Revenue by : Shri Surjit Kumar Saha. Sr. D.R.

Date of Hearing – 07/10/2025

Date of Order – 08/10/2025

ORDER

The assessee has filed appeal against the ex-parte order dated 30/12/2024 passed by the learned CIT(A)/National Faceless Appeal Centre(NFAC), Delhi u/sec 250 of the Income Tax Act, 1961 (for short "*the Act*"). The assessee has raised following grounds of appeal:–

"1. Whether Ld CIT-appeals is correct in law in on facts in dismissing the appeal without considering the facts of the case and without adjudicating the grounds of appeal and without application of his own mind more particularly when the addition made in the assessment order is glaring/apparent/prima facie liable to be deleted from the facts of the case.

2. Whether the Ld CIT-appeal is correct in law and on facts in denying the deduction u/s. 80P(2)(a) (i) to the assessee which is fully engaged in the business of providing credit facilities to its members.

3. Whether the Ld CIT-appeals is correct in law and on facts in disallowing the deduction u/s. 80P(2)(a)(i) when the same has been fully allowed in the scrutiny assessment order for the immediate preceding A.Y. 2017-18.

4. The appellant craves leave to add, amend, modify, alter or delete any of the grounds of appeal at the time of hearing."

2. At the time of hearing, the Ld.AR of the assessee submitted that there is a delay of 108 days in filing the appeal before the Hon'ble Tribunal and the assessee has filed an application and affidavit for condonation of delay explaining the sufficient cause. Whereas the facts mentioned in the Affidavit are reasonable and the learned D.R. has no specific objections. Accordingly, the delay is condoned and the appeal is admitted.

3. The Brief facts of the case are that, the assessee is a Credit Co-operative Society and is engaged in providing credit facilities to its members. The assessee has filed the return of income for the assessment year 2018-19 on 20/10/2018 disclosing a total income of Rs.60,530/- after claiming deduction under section 80P of the Act of Rs. 27,38,625/-. Subsequently, the case was selected for limited scrutiny under e-assessment Scheme 2019 on the issues (i) investment/advances/ loans; and (ii) deduction from total income under Chapter VIA. The Assessing Officer has issued notices under section 143(2) and 142(1) of the Act along with questionnaire. In compliance, the assessee has filed the details through ITBA portal i.e Audited financial statements, list of

members, audit report, bank statements and registration certificate. Whereas, the Assessing Officer, on a perusal of the financial statements found that the assessee has claimed deduction u/sec80P of the Act on the interest income earned from Bank of Maharashtra of Rs.1,03,055/- and central bank of india of Rs.15,16,577/-.The Assessing Officer dealt on the facts and details and is of the opinion that the interest income received from these two nationalized/scheduled banks is not eligible for deduction u/sec80P of the Act and disallowed the claim under section 80P of the Act to the extent of Rs.16,19,632/- and assessed the total income of Rs.16,80,162/- and passed the order under section 143(3) r.w.s 143(3A) & 143(3B) of the Act dated 09/04/2024. Aggrieved by the order, the assessee has filed appeal before the CIT(A).

4. In appellate proceedings, the CIT(A) has considered the grounds of appeal, statement of facts, findings of the Assessing Officer and issued notices of hearing on various dates. Since there was no compliance to the notices by the assessee, the CIT(A) considering the information on record has confirmed the action of the Assessing Officer and dismissed the appeal of the assessee. Aggrieved by the order of the CIT(A), the assessee has filed appeal before the Hon'ble Tribunal.

5. At the time of hearing, the learned Authorised Representative for the assessee (for short "*the learned A.R.*") submitted that the CIT(A) has erred in sustaining the denial of claim of deduction u/sec 80P of the Act overlooking the submissions filed in the assessment proceedings. Further,

the Ld.AR submitted that the assessee has a good case on merits and prayed for an opportunity to substantiate the claim with material evidences and information before the lower authorities. Per-contra, the learned Departmental Representative supported the order of the CIT(A).

6. Heard the rival submissions and perused the material available on record. The CIT(A) has dismissed the assessee's appeal, as there was no compliance to the notices issued in the appellate proceedings on various dates referred at Para5.2 of the order. Further the CIT(A) is of the opinion that the assessee is not interested in prosecuting its appeal and has confirmed the action of the Assessing Officer. Whereas, the learned A.R., in the course of hearing, submitted that the assessee has a good case on merits and shall substantiate with material evidences before the authorities. Whereas, the assessee has raised grounds of appeal challenging the action of the assessing officer on the denial of claim of deduction u/sec80P of the Act and there could be various reasons for non-compliance by the assessee which cannot be ruled out. Hence, considering the facts, circumstances, submissions of the learned A.R and to meet the ends of justice, the assessee should be provided one more opportunity for hearing. Accordingly, the order of the CIT(A) is set aside and restore the disputed issues to the file of the CIT(A) to adjudicate issue afresh on merits and the assessee should be provided adequate opportunity of hearing and the assessee should co-operate in submitting

the information for early disposal of appeal. And the grounds of appeals 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 08/10/2025

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Nagpur; and
- (5) Guard file.

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

Sr. Private Secretary
ITAT, Nagpur