

IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH PANAJI

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

I T A. Nos. 283/PAN/2025

(A.Y. 2017-18)

Mavinkurve Primary Fisheries, Society Limited. Bunder Road, Bhatkal, Noth Kanara-581320, Karnataka.	Vs	ITO-Ward-1, SanteriKrupa, KaigaRoad, Habbuwada, Karwar-581306, Karnataka.
PAN .No.AABAM8664L		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	None.
Revenue by	Shri Madesh NM.Sr.DR

सुनवाई की तारीख/Date of Hearing	30.10.2025
घोषणा की तारीख/ Date of Pronouncement	31.10.2025

ORDER

PER PAVAN KUMAR GADALE, JM:

The appeal is filed by the assessee against the order of National Faceless Appeal Centre (NFAC) Delhi / CIT(A) passed 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 denial of claim of deduction u/sec80P(2)(a)(i) of the Act and disallowance u/sec40(a)(ia) of the Act by the assessing officer.

2. The brief facts of the case are that, the assessee is a cooperative society registered under Karnataka cooperative societies Act 1959 and is primarily engaged in providing

credit facilities to its members. The assessee has filed the return of income for the A.Y 2017-18 on 13.02.2018 disclosing a total income of Rs.32,120/- after claiming deduction of Rs.13,33,673/- u/sec 80P of the Act. Subsequently the case was selected for 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 there are cash deposits during the F.Y.2016-17 and the assessee was asked to explain the sources of deposits and there was compliance. Further notice u/sec142(1) of the Act was issued to furnished the details of voting rights, and other benefits by the different class of members. The assessee has filed the explanations and details vide letter on 12.12.2019 referred at Para 4.2 of the order. The Assessing Officer required the assessee submit the details in respect of claims and the investments and deposits made in the cooperative banks and scheduled banks and interest /dividend income earned and the assessee has filed the details. The Assessing Officer (A.O) has dealt on the submissions/details and find that the assessee society is not eligible for claim of deduction under section 80P of the Act and also the A.O. was not satisfied with the explanations and dealt on the provisions and judicial decisions and denied the claim of deduction u/sec80P of the act of Rs.13,33,673/- and similarly made

disallowance u/sec40(a)(ai) of the Act in respect of commission expenditure Rs.22,399/- and assessed the total income of Rs.13,88,190/- and passed the order u/sec 143(3) of the Act dated 12.12.2019.

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 assessing officer and dismissed the appeal. Aggrieved by the order of the CIT(A), the assessee has filed an appeal before the Hon'ble Tribunal.

4. Heard the Ld.DR 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 referred at Para 6.2 of the order and 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 denial of claim of deduction u/sec80P(2)(a)(i) of the Act and disallowance

u/sec40(a)(ia) of the Act by the assessing officer and there could be various reasons for non appearance which cannot be overruled. Therefore, considering the facts, circumstances and principles of natural justice, shall provide 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 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, the grounds of appeal of the assessee are allowed for statistical purpose.

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

Order pronounced on 31/10/2025 as per rule 34(5) of the ITAT Rules 1963.

SD/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Panaji Dated: 31/10/2025

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			