

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR “SMC” BENCH : NAGPUR
(through virtual)
BEFORE DR. MANISH BORAD, ACCOUNTANT MEMBER

I.T.A.No.551/NAG/2025
(Assessment Year 2016-2017)

Shri Samarth Sotafir Maharaj Bigar Sheti Gramin Sahakari Pat Sanstha, Amravati. PAN : AAEAS 7112 E (Appellant)	vs.	ITO, Ward-5, Amravati. (Respondent)
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For Assessee :	Shri Manoj G. Moryani, Adv.
For Revenue :	Shri Surjit Kumar Saha, Sr.DR

Date of Hearing :	04.02.2026
Date of Pronouncement :	10.02.2026

ORDER

This appeal at the instance of the assessee is directed against the order of Ld. Commissioner of Income Tax (Appeals)/NFAC, Delhi [“CIT(A)”], dated 24/07/2025 passed u/s. 250 of the Income Tax Act, 1961 (for short, 'the Act') which is arising out of assessment order dated 18.03.2024 passed u/s. 147 r.w.s. 144 r.w.s. 144B of the Act for the Assessment Year 2016-17 (A.Y.)

2. At the outset, learned counsel for the assessee requested for not pressing the legal issue raised in ground No.1, therefore, the same is dismissed as not pressed. So far as remaining grounds on merits, they are against the addition for

unexplained cash deposit of ₹ 72,73,900/- alleged to be received by the assessee-cooperative society from its members and secondly against denial of deduction u/s. 80P(2)(d) of the Act for the interest income of ₹ 4,15,434/- allegedly earned from investments held with cooperative banks. Learned counsel for the assessee prayed for setting aside the issues to the file of Ld. Jurisdictional Assessing Officer (JAO) for *denovo* adjudication, since no proper opportunity was granted during the course of re-assessment proceedings carried out u/s. 147 r.w.s. 144 of the Act.

3. On the other hand, Ld. Departmental Representative (DR) submitted that assessee has failed to respond to the notices of hearing issued by the Ld.CIT(A) and therefore the issues may please be restored to the file of Ld. CIT(A).

4. I have heard rival contentions and perused the records placed before me. I observe that assessee is a cooperative bank registered with Maharashtra State Co-operative Society Act, 1961. Assessee did not file regular return of income for A.Y. 2016-17. Based on the information about cash deposits, assessee's case selected for scrutiny and after recording reasons and validly serving notices, re-assessment proceedings u/s. 147 of the Act were initiated. In compliance to the notice u/s.148 of the assessee, assessee filed return of income on 05.04.2023 declaring NIL income and also claimed deduction

under Chapter VI-A i.e. section 80P of the Act at ₹ 4,15,434/-. Partial submissions were made and that the assessee could not furnish the details of the members from whom the cash deposits were received and were utilized for depositing the alleged cash in bank accounts. Books of accounts of the assessee society were not audited, deduction u/s. 80P of the Act was also denied. Assessment order has been passed as best judgment assessment u/s. 147 r.w.s. 144 of the Act. Before the Ld.CIT(A) also, assessee failed to respond and when assessee sought adjournment on one of the dates i.e. 21.05.2025, the same was not granted and the assessee's appeal has been dismissed.

5. Considering all these facts and circumstances of the case and the details filed by the assessee in the paper book running into 71 pages providing copy of audited accounts, bank statement, details of cash book and other details to explain the source of alleged cash deposit and the interest income earned during the year for which deduction u/s. 80P has been claimed, in the interest of justice, I deem it appropriate to remit back the issues raised on merits to the file of Ld.JAO for *denovo* adjudication. Needless to mention that Ld. JAO shall afford a reasonable opportunity of being heard to the assessee and then decide the issues in accordance with law. The assessee is also directed to remain vigilant and not to take

unnecessary adjournments unless otherwise required for reasonable cause. Effective grounds of appeal raised by the assessee are allowed for statistical purposes.

6 In the result, appeal of the Assessee is allowed for statistical purposes.

Order pronounced in the open Court on 10.02.2026

Sd/-
[MANISH BORAD]
ACCOUNTANT MEMBER

Dated : 10th February, 2026

vr/-

Copy to

1.	The appellant
2.	The respondent
3.	The Pr.CIT, Nagpur concerned.
4.	D.R. ITAT, SMC Bench, Nagpur.
5.	Guard File.

By Order

//True Copy //

Senior Private Secretary
ITAT, Nagpur