

IN THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD "D" BENCH

**Before: DR. BRR Kumar, Vice President
And Shri T. R. Senthil Kumar, Judicial Member**

**ITA Nos: 1259 & 1260/Ahd/2025
Assessment Years: 2020-21 & 2022-23**

The Orchid Harmony Cooperative Housing Service Society Ltd. Society Office, Orchid Harmony, Apple Wood To Shela Ahmedabad-380058 Gujarat PAN: AADAT7927M (Appellant)	Vs	Income Tax Officer Ward-3(1)(1), Ahmedabad (Respondent)
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**Assessee Represented: Shri Mehul Thakkar, A.R.
Revenue Represented: Shri Rameshwar P Meena, Sr.D.R.**

Date of hearing : 09-02-2026
Date of pronouncement : 17-02-2026

आदेश/ORDER

PER: T.R. SENTHIL KUMAR, JUDICIAL MEMBER

These two appeals are filed by the Assessee as against two appellate orders dated 21-03-2025 and 19-03-2025 passed by the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, (in short referred to as "CIT(A)"), arising out of the assessment orders passed under section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') relating to the Assessment Years 2020-21 and 2022-23 respectively.

2. ITA No. 1259/Ahd/2025. Brief facts of the case is that the assessee is a co-operative housing service society filed a Nil return of income on 10.10.2020 for the Assessment Year 2020-21. The case was selected for limited scrutiny and the AO observed that the appellant has received Rs. 28,90,367/- as interest on deposits and also debited Township Maintenance expenses Rs 20,24,221/-. In absence of sufficient details, AO disallowed the expenditure of Rs 20,24,221/-. Further AO disallowed the expenditure of Rs 6,01,487/- on account of

- (i) Fire safety expense of Rs 31,456/-
- (ii) Salary expenses of Rs 4,48,790/-
- (iii) Repairs and maintenance of Swimming Pool of Rs 42,498/-
- (iv) Repairs and maintenance of Others expenses of Rs 78,743/-

3. Aggrieved against the assessment order, assessee filed an appeal before the Ld. CIT(A), who confirmed the disallowance of expenditure of Rs. 6,01,487/- on the ground that some vouchers were unsigned, without cheque numbers and mode of payment also not mentioned relating to the Salary expenses of Shri Divyang Navin Chandra and Shri Nirav Darji/Gym Trainer, therefore confirmed the additions. Regarding the township maintenance expenses of Rs.20,24,221/-, the assessee failed to explain how these amounts were booked and in the absence of the details, Ld. CIT(A) confirmed the addition.

4. Aggrieved against the assessment order, the assessee is in appeal before us raising the following Grounds of Appeal:

1. *The Ld. CIT(A) has grievously erred in law and in facts in confirming the disallowance of various expenditure of Rs. 6,01,487/- pertaining to day to day operations of appellant society. The Ld. CIT(A) has grievously erred in law*

in not considering the application for seeking admission of additional evidences pertaining to these expenditures.

2. The Ld. CIT(A) has grievously erred in law and in facts in confirming the disallowance of expenditure pertaining to township maintenance expenses of Rs. 20,24,221/-,

3. The Ld. CIT(A) has grievously erred in law in not granting an opportunity of being heard through video conferencing despite specific request was made in this regard.

4. The appellant craves leave to add, alter, amend, or withdraw any of the above grounds of appeal at the time of hearing, and further reserves the right to raise any additional ground that may be considered necessary in the interest of justice.

5. Ld. Counsel for the assessee submitted that the assessment has been conducted in faceless manner, there has an inherent limitation to file each and every document of expenditure, whereas such documents are voluminous in nature. Therefore the assessee submitted the documents on sample basis. However, the Ld. A.O. has not given any specific show cause for pointing out the alleged deficiency and made the above addition for want of supporting evidences. Even before Ld. CIT(A) voluminous Paper Book running to 260 pages which contains Salary expenses, Repairs and maintenance of Swimming Pool expenses, Co-Development Agreement, Deposit Ledger Confirmation, Township Maintenance Ledger, Supplementary Agreement to the Operations & Maintenance Agreement and Township Maintenance Bills for last three years were produced. The same were not considered by Ld. CIT(A), therefore the matter be set-aside to the file of A.O. to consider the same on merits and decide the case.

6. Ld. D.R. appearing for the Revenue has no serious objection in setting-aside the matter.

7. We have perused the materials available on record including two Paper Books filed by the assessee carrying the details as mentioned in the previous para 5 above. It is further seen from the assessment order, the A.O. has not given any specific show cause notice before making the disallowances or additions. Therefore in the interest of Principle of Natural Justice, we deem it fit to set-aside the matter back to the file of Jurisdictional Assessing Officer with a direction to redo the assessment, after taking into account all the relevant materials and evidences filed by the assessee. Needless to say, the assessee should make use of this final opportunity for passing fresh assessment order.

8. In the result, **the appeal filed by the Assessee is treated as allowed for statistical purpose.**

ITA No. 1260/Ahd/2025 relating to Asst. Year 2022-23

9. Brief facts of the case is that the assessee is a co-operative housing service society limited filed a Nil return of income on 15.10.2022 relating to the Assessment Year 2022-23. The case was selected for scrutiny and the AO observed that the TDS has not been deducted and deposited properly on certain expenditures. Hence AO made the disallowance of Rs.14,07,723/- u/s 40(a)(ia) of the Act. Further AO disallowed the 50% of the festival expenses of Rs.12,10,166/-i.e. Rs.6,05,083/- due to abnormal hike in expenses comparisons to earlier years and some expenses incurred in cash and not properly vouched.

10. Aggrieved against assessment order, assessee filed an appeal before the Ld. CIT(A) who confirmed the additions made by the assessing officer.

11. Aggrieved against the same, the assessee is in appeal before us raising the following Grounds of Appeal:

1. The Ld. CIT(A) has erred in law and on facts in dismissing the appellant's ground challenging the validity of selection of the case for scrutiny under CASS, purportedly on the basis that an addition of Rs.26,25,708/- was made in the immediately preceding year and not contested in appeal. The reason cited for selection is factually incorrect und contrary to the records, and therefore the selection itself is vitiated.

2. The Ld. CIT(A) has erred in law and on facts in confirming the under section 40 (a)(ia) of the Act

(a) Rs. 1,62,782/- being payment made to M/s. Kone Elevators India Pvt. Ltd. without deduction of TDS.

(b) Rs. 5,20,476/- being payment made to M/s. Surbhi Engineering Services without deduction of TDS.

3. The Ld. CIT(A) has erred in law and on facts in partly confirming the following disallowances under section 40 (a)(ia) of the Act.

(a) Rs. 1,82,482/- (30% of Rs. 6,08,274) being payment made to M&M Cleaner without deduction of TDS

(b) Rs. 28,630-(30% of Rs. 95,434-) being payment made to M/s. Diamond Security Services without deduction of TDS

4. The Ld. CTT(A) has further erred in confirming the disallowance of Rs. 6,05,083/-being Festival Expenses on the ground that most of expenses have been incurred in cash and not amenable to cross-verification and further there is unreasonable hike in the expenses, as compared to the expenses claimed under this head during the immediately preceding year.

5. The appellant craves leave to add, alter, amend, or withdraw any of the above grounds of appeal at the time of hearing, and further reserves the right to raise any additional ground that may be considered necessary in the interest of justice.

12. Ground No. 1 raised by the assessee is against the Board Circular dated 24-05-2023, hence this Ground No. 1 is dismissed.

13. Ld. Counsel submitted that during the course of assessment proceedings, assessee submitted Ledger account, Bank statement highlighting the transactions, Copy of TDS returns and the TDS accounts duly deposited, therefore no disallowance u/s. 40(a)(ia) of the Act and requested to delete the addition. In support of the same, the assessee filed Paper Book running to 303 pages. Considering the submissions of the assessee and the relied upon documents, evidences not considered by the lower authorities, we deem it fit to set-aside the disallowance u/s. 40(a)(ia) of the Act back to the file of Jurisdictional Assessing Officer to consider the same and pass order by giving proper opportunity of hearing to the assessee.

14. Regarding the festival expenses which are relating to Diwali lighting decoration expenses, Stalls for Navratri Festival for the entire society which is having more than 500 units. Considering the large number of members of the Society, this expenses of Rs. 6,05,083/- is hereby deleted.

15. In the result, **the appeal filed by the Assessee is partly allowed for statistical purposes.**

Order pronounced in the open court on 17 -02-2026

Sd/-
(DR. BRR KUMAR)
VICE PRESIDENT *True Copy*
Ahmedabad : Dated 17/02/2026

Sd/-
(T.R. SENTHIL KUMAR)
JUDICIAL MEMBER

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT

4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद