

IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH PANAJI
BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER
I T A. No.7/PAN/2026
(A.Y. 2015-16)

Azad Multi Purpose Sahakari sangh U Niyamit, Yaragatti ,Saundatti, Belgaum-591129, Karnataka.	Vs .	I T O, National e Assessment Centre, Delhi.
PAN.NO..AABAA9991N		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	Shri.Veeranna Murgod.AR
Revenue by	SHri.Sanket Deshmukh.Sr.DR

सुनवाई की तारीख/Date of Hearing	18.02.2026
घोषणा की तारीख/Date of Pronouncement	20.02.2026

ORDER

PER PAVAN KUMAR GADALE ,JM:

The assessee has filed the appeal against the order of the NFAC/CIT (A) passed U/sec143(3) and 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 addition of business income made by the Assessing Officer.

2. The brief facts of the case are that, the assessee is a cooperative credit society registered under Karnataka state cooperative Societies Act 1959 and is engaged in providing credit facilities to its members. The income tax department based on the NMS portal find that the assessee

has made cash deposits aggregating to Rs.53,91,714/ in the F.Y.2014-15 and the assessee has not filed the return of income for the A.Y.2015-16. The Assessing officer (A.O) has reason to believe that the income has escaped the assessment and issued notice u/sec148 of the Act. Further notice u/sec143 (2) and u/sec 142(1) of the Act are issued calling for the clarifications and details of sources of cash deposits .Since, no explanations/details were filed, the AO considering the information available on record has invoked the provisions of Sec.144 of the Act and made addition of business income estimated @16% on the turnover which works out to Rs.25,35,497/- and assessed the total income of Rs.25,35,497/- and passed the order u/sec147r.w.s 144 r.w.s144B of the Act dated 11.03.2024.

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. 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.

4. 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. Per Contra, the Ld.DR supported the order of the CIT(A).

5. 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 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 dismissed the appeal ex-parte confirming the action of the assessing officer. The CIT(A) has issued the notices of hearing on various dates referred at Page 4 Para 6.1 of the order but 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 addition made by the A.O and there could be various reasons for non appearance/ compliance which cannot be overruled. Therefore, considering the facts 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 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.

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

Order pronounced on 20/02/2026 as per rule 34(5) of the ITAT Rules 1963.

**Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER**

Panaji Dated: 20/02/2026

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			