

**THE INCOME TAX APPELLATE TRIBUNAL  
AHMEDABAD "SMC" BENCH, AHMEDABAD**

**Before Ms. Suchitra Kamble, Judicial Member**

**ITA No. 1875/Ahd/2025  
Assessment Year 2019-20**

The Vandeli Dudh Utpadak Sahakari Mandli Ltd., Vandeli Morwa-389115 Gujarat PAN: AACT1542R (Appellant)	Vs	The Income Tax Officer, Ward-1, Godhra (Respondent)
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**Assessee by: Shri M.K. Patel, Advocate**  
**Revenue by: Shri Rameshwar P. Meena, Sr. D.R.**

Date of hearing : 05-02-2026  
Date of pronouncement : 25-02-2026

**आदेश/ORDER**

This is an appeal filed against the order dated 17-12-2024 passed by National Faceless Appeal Centre (NFAC), Delhi for assessment year 2019-20.

2. The grounds of appeal are as under:-

*“1.0 The learned Commissioner of Income Tax (Appeals). NFAC has erred in law and on facts in passing the appellate order ex-parte, without ensuring that a real and meaningful opportunity of hearing was afforded to the appellant, especially considering the peculiar circumstances and genuine limitations faced by the appellant in effectively participating in the proceedings.*

*2.0 The learned Commissioner of Income Tax (Appeals), NFAC has erred in law and on facts in confirming the addition of 15,99,113/- being the commission income earned on milk, without adjudicating the appeal on merits and without*

*considering the appellant's inability to respond to the hearing notices due to genuine constraints.*

*3.0 The learned Commissioner of Income Tax (Appeals), NFAC erred in law and on facts has confirmed the addition of 15,90,500/- on account of the cash deposits in the bank account treating the same as unexplained cash credits under section 68 of the IT Act, 1961, without adjudicating the appeal on merits and without considering the appellant's inability to respond to the hearing notices due to genuine constraints.*

*4:0 The learned Commissioner of Income Tax (Appeals), NFAC erred in law and on facts has confirmed the addition of 278,170/- on account of interest income, without adjudicating the appeal on merits and without considering the appellant's inability to respond to the hearing notices due to genuine constraints.*

*5.0 The learned Commissioner of Income Tax (Appeals), NFAC has erred in law and on facts in confirming the additions made by the Assessing Officer ex-parte in violation of the mandate under section 250(6) of the Act, which requires the Commissioner (Appeals) to dispose of the appeal through a reasoned order on each ground of appeal, irrespective of the appellant's absence or non-compliance.*

*6.0 The learned Commissioner of Income Tax (Appeals), NFAC failed to appreciate that non-appearance of the appellant does not empower the Commissioner (Appeals) to dismiss or decide appeal on merits without real hearing.*

*7.0 The learned Commissioner of Income Tax (Appeals), NFAC has erred in law and on facts in confirming the initiation of penalty proceedings under section 271AAC, 271B and 271F of the Income Tax Act, 1961.*

*8.0 The learned Commissioner of Income Tax (Appeals), NFAC erred in law and on facts has confirmed the charging interest under section 234A, 234B and 234F of the Income Tax Act, 1961.*

*9.0 The appellant craves leave to add to, alter, delete or modify any of the above grounds of appeal either before or at the time of hearing of this appeal.”*

3. The assessee is a non-filer and as per the data available, the Assessing Officer observed that during the year under consideration, the assessee received interest on

deposit of Rs. 47,847/-, interest from saving bank account of Rs. 16,376/-, interest on securities amounting to Rs. 56,692/-, business receipts amounting to Rs. 2,99,55,643/-, cash deposits of Rs. 5,90,500/-, cash debited to the bank of Baroda amounting to Rs. 1,22,80,000/- and cash debited to the account of the Panchmahal District Co-operative Bank Ltd. amounting to Rs. 66,66,000/-. Since the assessee has not filed the return of income, the correct income of the assessee could not be ascertained and therefore notice u/s. 148 was issued to the assessee. In response to the notice u/s. 148, the assessee filed his return of income showing income of Rs. (-) 28,804/-. Subsequently statutory notices were issued and the assessee filed some evidences and details along with the submissions. The assessee's plea was that the difference between the amounts received from Panchmahal District Milk Society and the amount paid to the members is deductible u/s. 80P of the income Tax Act, 1961. The Assessing Officer held that the provisions of section 80P(2)(d) of the Act was not available to the assessee as the assessee has neither explained nor submitted any documents that the commission income earned by the assessee at 2% is not taxable. Thus, the Assessing Officer made addition of Rs. 5,99,113/- as business receipts. The Assessing Officer also made addition of Rs. 5,90,500/- as cash credit in respect of the cash deposits. The Assessing Officer also made addition of Rs. 78,170/- towards interest income.

4. The assessee filed appeal before the CIT(A). The CIT(A) also dismissed the appeal of the assessee.

5. The ld. A.R. submitted that the appeal filed by the assessee before the Tribunal is delayed by 215 days. After going through the affidavit filed by the assessee, it appears that the delay is genuine, hence the delay is condoned.

6. The ld. A.R. submitted that the Assessing Officer as well as the order of the CIT(A) both are ex-parte and therefore the details were not filed before both the authorities and the matter may be remanded back to the file of the Assessing Officer.

7. The ld. D.R. relied upon the assessment order and the order of the CIT(A).

8. Heard both the parties and perused all the relevant material available on record. It is pertinent to note that the Assessing Officer as well as the CIT(A) has not verified the details of the assessee as the assessee could not file the details due to the difficulty faced by the assessee for filing the detailed before both the authorities. Therefore, it will be appropriate to remand this matter for proper verification of the evidences as well as the details and adjudicate the issues on merit by the Assessing Officer as per the Income Tax Act. The assessee is directed to fully co-operate with the proceedings before the Assessing Officer.

9. In the result, the appeal of the assessee is partly allowed for statistical purposes.

Order pronounced in the open court on 25-02-2026

**Sd/-**  
**(Suchitra Kamble)**  
**Judicial Member**

a.k.

**Ahmedabad : Dated 25/02/2026**

**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