

**IN THE INCOME TAX APPELLATE TRIBUNAL
“A”BENCH: BANGALORE**

**BEFORE SHRI PRASHANT MAHARISHI, VICE PRESIDENT
AND
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA No.3149/Bang/2025
Assessment Year : 2018-19

M/s. Kennedy Education Society 807, S S Nagar, Bannimantap B Layout Mysore 570 015 Karnataka PAN NO : AADAK3233H	Vs.	ITO Ward 2(4) Mysuru
APPELLANT		RESPONDENT

Appellant by	:	CA Akshay K.S., A.R.
Respondent by	:	Sri Balusamy N., JCIT-D.R.

Date of Hearing	:	18.03.2026
Date of Pronouncement	:	01.04.2026

O R D E R

PER KESHAV DUBEY, JUDICIAL MEMBER:

This appeal at the instance of the assessee is directed against the order of Id.CIT(A)/NFAC dated 13.10.2025 vide DIN & Order No: ITBA/NFAC/S/250/2025-26/1081710890(1) passed u/s. 250 of the Income Tax Act, 1961 (in short “the Act”) for the AY 2018-19.

2. The assessee has raised the following grounds of appeal:-

1. Dismissal of appeal in Limine

The learned Commissioner of Income-tax (Appeals) erred in law and on facts in refusing to condone the delay of 242 days in filing the appeal and in dismissing the appeal in limine, without appreciating that the delay was occasioned due to bona fide and reasonable causes, thereby defeating the substantive rights of the appellant.

2. Ex Parte assessment without consideration of material on record

The learned Assessing Officer erred in completing the assessment u/s 147 r.w.s 144 by drawing adverse conclusions without considering the financial statements and bank statements already furnished by the appellant during the proceedings u/s 148A, which were available on record with the Revenue. The failure to consider such material evidence has resulted in an erroneous best-judgment assessment based on incomplete appreciation of facts and in violation of the principles of natural justice.

3. Erroneous invocation of the cash receipts under section 69A

The learned Assessing Officer erred in making an addition of Rs.89,52,456/- under Section 69A of the Act without establishing that the cash deposits represented unexplained money of the Appellant, ignoring the audited financial statements, which clearly demonstrated that the gross receipts were sufficient to explain the impugned deposits.

3. Brief facts of the case are that assessee is registered under the Societies Registration Act, 1960 on 21.5.1974. The society administers and operates an educational institution under the name & style of Green Wood English School. The assessee society did not file its return of income for the AY 2018-19. As per the information available with the Department, the assessee society had deposited cash amounting to Rs.92,22,700/- during the financial year 2017-18. Accordingly, the case of the assessee was reopened u/s 148 of the Act after following the due procedure as per the provisions contained in section 148A of the Act. Thereafter, notices

u/s 142(1) as well as SCNs u/s 144 of the Act was also issued. However, the assessee did not comply to any of the notices during the course of assessment proceedings. Considering the non-compliance of the assessee, notice u/s 133(6) of the Act was also issued to Canara Bank for the bank Statement. The total credit entries as per the bank statement procured through 133(6) of the Act was Rs.89,52,456/-. As the assessee society failed to comply with the statutory notices, there was no option but to complete the assessment to the best of judgment u/s 144 of the Act. The AO treated the entire amount of Rs.89,52,456/- as unexplained money u/s 69A of the Act r.w.s. 115BBE of the Act and added to the total income of the assessee. The AO completed the assessment proceedings u/s 147 r.w.s 144 of the Act on 17/10/2023 on a total assessed income of Rs.89,52,456/-.

4. Aggrieved by the assessment completed u/s 147 r.w.s. 144 of the Act dated 17/10/2023, the assessee preferred an appeal before the ld. CIT(A)/NFAC.

5. The ld. CIT(A)/NFAC dismissed the appeal of the assessee in limine by not condoning the delay of 242 days in filing the appeal.

6. Again aggrieved by the order of ld. CIT(A)/NFAC, the assessee has filed the present appeal before this Tribunal. The assessee society has also filed a paper book comprising 122 pages containing therein Affidavit in support of delay, Audited financial statements, screen shot on online response to notice u/s 148A as well as case laws relied upon by the assessee.

7. Before us, the ld. A.R. of the assessee vehemently submitted that assessee society is running educational institution under the name & style of Greenwood English School with the primary

objective of imparting quality education particularly in rural areas on a non-commercial and non-profit basis. The books of accounts of the assessee society is audited by the chartered accountant. The assessee society did not file its return of income on an honest and bonafide belief that it had excess of expenditure over income and accordingly no taxable income taken place for the impugned year. However, due to non-filing of income and the alleged entire credit entries of Rs.89,52,456/- in the bank account, the assessee's case was reopened and the assessment proceedings were completed u/s 147 r.w.s. 144 of the Act. The assessee could not represent the case before the AO due to limited technical expertise coupled with administrative constraints. Further the ld. A.R. submitted that during the inquiry proceedings initiated u/s 148A of the Act, the assessee duly furnished its bank account statement as well as audited financial statements demonstrating the sources of funds for the alleged deposits. Lastly, the ld. A.R. submitted that the ld. CIT(A)/NFAC dismissed the appeal of the assessee in limine by not condoning the delay although sufficient cause was demonstrated before him and accordingly prayed that one more opportunity may be granted to the assessee before the AO to substantiate his claim as the order of the AO is ex-parte.

8. The ld. D.R. on the other supported the order of the authorities below.

9. We have heard the rival submissions and perused the materials available on record. On going through the order of the ld. CIT(A)/NFAC, we observed that the ld. CIT(A)/NFAC dismissed the appeal of the assessee in limine by not condoning the delay of 242 days in filing the appeal. The assessee by way of paper book has submitted an affidavit stating the reason for the delay before the ld. CIT(A)/NFAC which is placed at page 12 to 15 of the paper book.

On going through the said affidavit, we find that the main reason for the delay as cited by the assessee society is that the assessee society is functioning in a rural area and operates with limited administrative and technical resources. The accounts department of the society has constrained capacity and limited familiarity with the use of computers, online portals and other technological system required for assessing communication and complies with the proceedings conducted through the faceless electronic mode. Although, the reassessment order was passed on 17.10.2023, the assessee first came to know of the existence of the said order only upon receipt of the penalty notice served by the post on the principal officer of the assessee in April, 2024. Upon becoming aware of the reassessment order, the assessee promptly took steps to engage a tax professional and diligently filed an appeal accompanied by an application seeking condonation of delay of 242 days. On going through the said affidavit, we are of the considered opinion that it cannot be said that the assessee society was very callous in its approach in filing the appeal. Having heard the Id. Counsel of the assessee, as well as Id. D.R., it is perceived that the explanation offered in the affidavit is plausible and sufficient cause been shown by the assessee society in filing the appeal belatedly before the Id. CIT(A)/NFAC. In view of the above, we are inclined to condone the delay of 242 days in filing the appeal before the Id. CIT(A)/NFAC.

9.1 Now having condoned the delay in filing the appeal before the Id. CIT(A)/NFAC, we deem it fit and proper to remit the entire issue in dispute to the file of the AO to decide afresh in accordance with law. Needless to say a reasonable opportunity of being heard must be granted to the assessee. The assessee society is also directed to produce the Audited Financial statement along with the books of accounts or any other documents/information as may be required

by the AO for concluding the assessment. We make it clear that in case of further default, the assessee shall not be entitled for any leniency. It is ordered accordingly.

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

Order pronounced in the open court on 1st Apr, 2026

Sd/-
(Prashant Maharishi)
Vice President

Sd/-
(Keshav Dubey)
Judicial Member

Bangalore,
Dated 1st Apr, 2026.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

Asst. Registrar,
ITAT, Bangalore.