

IN THE INCOME TAX APPELLATE TRIBUNAL  
“SMC” BENCH PANAJI

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER  
I T A. No.229/PAN/2025  
(A.Y. 2016-17 )

Allavuddin Unmarasab Hurakadli, H,no.354, shetty wada, Mapusa-403507, Goa.	Vs	National Faceless Assessment Centre, New Delhi-110003
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(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	Shri.Shyam Jagannath Kamat.AR
Revenue by	Shri.Ish Gupta.Sr.DR

सुनवाई की तारीख/Date of Hearing	17.09.2025
घोषणा की तारीख/Date of Pronouncement	18.09.2025

**ORDER**

**PER PAVAN KUMAR GADALE, JM:**

The appeal is filed by the assessee against the order of National Faceless Appeal Centre (NFAC) Delhi / CIT(A) passed u/sec147 and U/sec 250 of the Act. The assessee has raised grounds of appeal challenging the order of CIT(A) sustaining the addition u/sec69C of the Act and denial of claim of deduction u/sec80C of the Act.

2. The brief facts of the case are that, the assessee has not filed the return of income for A.Y.2016-17. The Assessing officer(A.O) based on the information in ITBA find that the assessee has made substantial cash deposits

in the bank accounts during the F.Y.2015-16. The A.O has reason to believe that the income has escaped the assessment and has issued notice U/sec148 of the Act. Further notice u/sec 142(1) of the Act along with the questionnaire was issued. The assessee has filed the return of income on 17-02-2022 in compliance of notice and also filed submissions through e portal. On the first disputed issue, the A.O on perusal of statement of affairs of the assessee filed in the assessment proceedings find that the assessee has disclosed the repayment of housing loan of Rs.4,81,109/- and since these facts are not reflected in the statement, the A.O is of the opinion that such repayment has been made out of undisclosed sources and invoked the provisions of section 69C of the act and made addition of Rs.4,81,109/- as unexplained expenditure.

3. Further on the second disputed issue, the assessee has claimed deduction u/sec80C of the Act of Rs.1,50,000/- in respect of Housing loan repayment to The Jana Utkarsh Urban Coop credit Society Ltd. Whereas the A.O is of the view that the said bank is not one of the entities or persons specified u/sec80C(2)(xviii)(c) of the Act as it was not specified whether such bank can grant housing loans, therefore the A.O denied the claim of deduction u/sec80C of the Act of Rs.1,50,000/- and finally the A.O assessed the total income of Rs10,94,109/- and passed the order u/sec 147 r.w.s144B of the Act dated 23.03.2022.

4. 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 the assessee has filed the details and submissions. But the CIT(A) 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.

5. At the time of hearing, the Ld.AR submitted that the CIT(A) has erred in confirming the action of the A.O overlooking the facts and submissions of the assessee in the proceedings. Further the Ld.AR emphasized that the assessee in response to notices has submitted the explanations along with the details before authorities and in respect of disputed issue of sources for housing loan repayment to bank, the Ld.AR contentions are they are meet out of revenue generated through sales and savings of the assessee and supported with the evidences in the paper book . Per contra, the Ld. DR submitted that the evidences were not examined by the lower authorities and the Ld. DR supported the order of the CIT(A).

6. Heard the rival submissions and perused the material on record. The Ld.AR submitted that the CIT(A) has erred in sustaining the disallowances overlooking the submissions. On the first disputed issue, the ld.AR emphasized that the assessee has made repayment of housing loan to the Jana

Utkarsh Urban Coop credit Society Ltd and demonstrated the statement of account disclosing obtaining of loan and repayment of loan in the F.Y.2015-16 were the amount is transferred from the pigmy deposit account of the assessee placed at Page 2 to 7 of the paper book. Further the assessee has made deposits in the pigmy account maintained with the said bank out of sales/ savings generated from business and the transactions are explained in the ledger account placed at page 8 of the paper book. The Ld.DR submitted that these evidences were not filed before the assessing officer and an Opportunity should be granted to verify the facts and evidences. Therefore considering the facts, circumstances, submissions and to meet the ends of justice, restore this disputed issue for limited purpose along with the evidences to the file of the Assessing Officer to verify / examine and adjudicate afresh on merits and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting the information And this ground of appeal of the assessee is allowed for statistical purposes. On the second disputed issue, the assessee has claimed deduction u/sec80C of the Act of Rs.1,50,000/- in respect of Housing loan repayment to The Jana Utkarsh Urban Coop credit Society Ltd. Whereas the A.O is of the opinion that the said bank is not one of the entities or persons specified u/sec80C(2)(xviii)(c) of the Act as it was not specified whether such bank can grant housing loans and denied the claim of deduction u/sec80C of the Act. The Ld.AR emphasized that the bank/cooperative

society which is engaged in the business of providing credit facilities to its members also include providing loans for construction or purchase of houses and the Ld.AR demonstrated the certificate issued by the bank placed at page 1 of the paper book and it is not disputed. Hence considering the facts, submissions and certificate referred above, the assessee is eligible to claim deduction u/sec80Cof the Act towards repayment of housing loan and accordingly direct the assessing officer to delete the disallowance u/sec80Cof the Act. And this ground of appeal is allowed in favour of the assessee.

7. In the result, the appeal filed by the assessee is partly allowed.

Order pronounced in the open court on 18.09.2025.

**-S/d-**  
**(PAVAN KUMAR GADALE)**  
**JUDICIAL MEMBER**

Panaji Dated: 18/09/2025

**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			