

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई।
**IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH: CHENNAI**

श्री वी. दुर्गा राव, माननीय न्यायिक सदस्य एवं
श्री मंजूनाथा .जी, माननीय लेखा सदस्य के समक्ष

**BEFORE SHRI V. DURGA RAO, HON'BLE JUDICIAL MEMBER AND
SHRI MANJUNATHA. G, HON'BLE ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.1361/Chny/2023
निर्धारण वर्ष /Assessment Year: 2020-21

G K 276 Muthiyalpet Primary-
Agriculture Co.Op-
Credit Society Ltd.,
No.14/33, Selai Ramasamy Street,
Kanchipuram-631 501.

v.

The Income Tax Officer,
Ward-1,
Kanchipuram.

[PAN: AABAG 2926 R]

(अपीलकर्ता/Appellant)

(प्रत्यर्थी/Respondent)

अपीलकर्ता की ओर से/ Appellant by

:

None

प्रत्यर्थी की ओर से /Respondent by

:

Shri AR.V.Sreenivasan, Addl.CIT

सुनवाई की तारीख/Date of Hearing

:

29.01.2024

घोषणा की तारीख /Date of

Pronouncement

:

29.01.2024

आदेश / ORDER

PER MANJUNATHA.G, AM:

This appeal filed by the assessee is directed against the order of the Commissioner of Income Tax (Appeals), Income Tax Department, National Faceless Appeal Centre (NFAC), Delhi, dated 27.09.2023, and pertains to assessment year 2020-21.

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

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- 1. The order passed by the Learned CIT (A), is opposed to law and contrary to the facts and circumstances of the case and is therefore unsustainable.*
- 2. Both the learned assessing officer and the learned CIT(A) erred in passing the order without appreciating the status of the appellant and its nature of business.*
- 3. Both the Ld. Assessing officer and the Learned CIT(A) failed to appreciate that appellant being a primary agricultural cooperative credit society, is eligible for deduction u/s.80P of the Act.*
- 4. The Ld. Assessing officer also failed to appreciate that the purpose and object of Section 80P is to encourage and incentivize the Cooperative movement by providing special deductions under the Income Tax Act.*
- 5. The appellant, being entitled for deduction u/s.80P of the Act, pleads for an opportunity to explain its case before your good self.*
- 6. The Appellant seeks your leave to add, alter, amend or delete any grounds urged, at the time of hearing.*

3. Brief facts of the case are that the assessee is a Primary Agriculture Co-Op. Credit Society, filed its return of income for the assessment year 2020-21 on 15.02.2021 declaring NIL total income after claiming deduction u/s.80P(2)(a)(i) of the Income Tax Act, 1961, (in short "the Act"). The case was selected for scrutiny to verify the large deduction claimed under Chapter-VIA of the Act. During the course of assessment proceedings, various notices were served on the assessee calling for necessary details. The assessee nether appeared nor furnished details to justify deduction claimed u/s.80P(2)(a)(i) of the Act. Therefore, the AO passed best judgment assessment u/s.144 r.w.s.144B of the Act, and denied deduction claimed u/s.80P(2)(a)(i) of the Act. The assessee carried the matter in appeal before the First Appellate Authority, but neither appeared nor furnished any details which is evident from Para No.4 of the order of the Ld.CIT(A), where the First Appellate Authority has provided 'six' opportunities to the assessee, but there is no response. Therefore, the

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Ld.CIT(A) dismissed the appeal filed by the assessee and upheld the additions made towards rejection of deduction claimed u/s.80P(2)(a)(i) of the Act.

4. None appeared for the assessee. We have heard the Ld.DR and perused the materials available on record and gone through the orders of the authorities below. Admittedly, the assessment proceedings are **ex parte** for non-appearance of the assessee. The proceedings before the First Appellate Authority is also **ex parte**, because, assessee neither appeared nor furnished any details. The assessee is a non-cooperative at all stages of proceedings. Therefore, we cannot find fault with the lower authorities in denying deduction claimed u/s.80P(2)(a)(i) of the Act. It is also an admitted fact that the assessee should be vigilant and prosecute their case with utmost care. In case, the assessee is not serious in prosecuting their appeal, then the appellate authorities left with no choice to dispose off the appeal. In the present case, the Ld.CIT(A) has dismissed the appeal filed by the assessee and decided the issue on the basis of materials available on record. Therefore, in our considered view, there is no error in disposal of appeal by the Ld.CIT(A). But, fact remains that the assessee did not get proper opportunities either before the AO or before the First Appellate Authority. Therefore, considering the facts and circumstances of the case and also fact that the assessee is a Primary Agriculture Co-operative Credit Society and operates mostly in rural areas, we are of the considered view that one more opportunity of hearing needs

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to be given to the assessee to explain its case. Thus, we set aside the order of the Ld.CIT(A) and restore the issue to the file of the AO and direct the AO to decide the issue afresh in accordance with law after providing reasonable opportunities of hearing to the assessee. Needless to say, the assessee shall appear before the AO and furnish necessary details without seeking any adjournment.

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

Order pronounced on the 29th day of January, 2024, in Chennai.

Sd/-

(वी. दुर्गा राव)

(V. DURGA RAO)

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 29th January, 2024.

TLN

आदेश की प्रतिलिपि □ ग्रेषित/**Copy to:**

1. □ पीलार्थी/Appellant

2. प्रत्यर्थी/Respondent

3. आयकर आयुक्त/CIT

4. विभागीय प्रतिनिधि/DR

Sd/-

(मंजूनाथा.जी)

(MANJUNATHA.G)

लेखा सदस्य/**ACCOUNTANT MEMBER**

5. गार्ड फाईल/GF