

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई  
IN THE INCOME-TAX APPELLATE TRIBUNAL 'C' BENCH, CHENNAI  
श्री एसएस विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री एस.आर. रगुनाथा, लेखा सदस्य के समक्ष  
Before Shri S.S. Viswanethra Ravi, Judicial Member &  
Shri S.R. Raghunatha, Accountant Member

आयकर अपील सं./I.T.A. No.1517/Chny/2024  
निर्धारण वर्ष/Assessment Year: 2020-21

The Kalkulam Co-operative Credit  
Society Ltd., No. 949, 1 Main Road,  
Thuckalay, Kanyakumari Dt. 629 175.

Vs. The Income Tax Officer,  
Ward 5, Nagercoil, 13B, 1<sup>st</sup> Floor,  
Popular Building, Mead Street,  
Nagercoil 629 003.

**[PAN:AABTT9232C]**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri Harshavardhan, Advocate  
प्रत्यर्थी की ओर से / Respondent by : Shri Aroon Prasad, Addl. CIT  
सुनवाई की तारीख / Date of hearing : 22.07.2024  
घोषणा की तारीख / Date of Pronouncement : 24.07.2024

**आदेश / O R D E R**

**PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:**

This appeal filed by the assessee is directed against the order dated 20.03.2024 passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi for the assessment year 2020-21.

2. The assessee raised 9 grounds of appeal, amongst which only issue emanates for our consideration as to whether the Id. CIT(A) is

justified in confirming the order of the Assessing Officer without there being proper opportunity to the assessee.

3. At the outset, we note that the assessment was completed under section 143(3) read with section 144B of the Income Tax Act, 1961 [“Act” in short] determining the income of the assessee at ₹.42,82,025/- against NIL income by making disallowance of interest income of ₹.42,82,025/- claimed under section 80P(2)(d) of the Act since there was no compliance against the show cause notice issued by the Assessing Officer. On perusal of the appellate order, we note that the Id. CIT(A) confirmed the order of the Assessing Officer since there was no representation from the assessee.

4. The Id. AR Shri Harshavardhan, Advocate submits that due to the circumstances beyond its control, the assessee could not represent its case either before the Assessing Officer or before the Id. CIT(A). The Id. AR requested to remand the matter to the file of the Assessing Officer as the assessee is ready to prosecute its case if the Tribunal afford an opportunity.

5. The Id. DR Shri Aroon Prasad, Addl. CIT reported objection that the Assessing Officer and the Id. CIT(A) given many opportunities to the assessee, as the assessee failed to utilize the same.

6. As discussed above, we note from the assessment order that the Assessing Officer issued show-cause and since the assessee did not respond to the said notice, the Assessing Officer proceeded to disallow the interest income of ₹.42,82,025/- by holding that the interest earned out of the deposits from Kanyakumari District Central Cooperative Bank is not eligible for deduction under section 80P(2)(d) of the Act and added back to the income of the assessee under the head "income from other sources" under section 56 of the Act. On perusal of the impugned order, it is established that there was no opportunity for the assessee in prosecuting its case, but, however, on the undertaking given by the Id. AR that the assessee is ready to prosecute his case before the Assessing Officer without fail, we deem it proper in the interest of justice to remand the matter back to the file of the Assessing Officer for his consideration afresh. The assessee is at liberty to file evidence in support of his claim and the Assessing Officer shall conduct the assessment proceedings *de novo*. Thus, grounds Nos. 1 to 9 are allowed for statistical purposes.

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

Order pronounced on 24<sup>th</sup> July, 2024 at Chennai.

Sd/-  
(S.R. RAGHUNATHA)  
ACCOUNTANT MEMBER

Sd/-  
(S.S. VISWANETHRA RAVI)  
JUDICIAL MEMBER

Chennai, Dated, 24.07.2024

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant,
2. प्रत्यर्थी/ Respondent,
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR &
5. गार्ड फाईल/GF.