

आयकर अपीलीय अधिकरण, हैदराबाद पीठ में  
IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCHES "B", HYDERABAD

BEFORE  
SHRI K.NARASIMHA CHARY, JUDICIAL MEMBER  
&  
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं / ITA No.293/Hyd/2024  
(निर्धारण वर्ष / Assessment Year: 2020-21)

The City Civil Courts Employees Mutually Aided Co-operative Society Limited  
City Courts Building  
Hyderabad  
[PAN : AABAT2936L] Vs. Income Tax Officer  
Ward-9(1)  
Hyderabad

अपीलार्थी / Appellant

प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri T.Rajendra Prasad, Ld.AR  
राजस्व द्वारा/Revenue by: Ms. Sheetal Sarin, DR

सुनवाई की तारीख/Date of hearing: 15/07/2024  
घोषणा की तारीख/Pronouncement on: 06/08/2024

आदेश / ORDER

**PER K. NARASIMHA CHARY, J.M:**

Aggrieved by the order dated 06/02/2024 passed by the learned Commissioner of Income Tax (Appeals) ("Ld.CIT(A)"), National Faceless Appeal Centre (NFAC), Delhi in the case of the City Civil Courts Employees Mutually Aided Co-op Credit Society Ltd. ("the assessee") for the assessment year 2020-21, assessee preferred this appeal.

2. The assessee is a registered cooperative credit society with the membership of the employees of the City Civil Courts in Hyderabad and

Secunderabad cities. It has filed its return of income for the A.Y.2020-21 on 30.12.2020, declaring an income of Rs.9,190/- under normal provisions of the Income tax Act, 1961 ("the Act"). The Assessing Officer held that the assessee did not furnish copy of interest income certificate issued by the relevant bank and / or any other relevant evidences in support of its claim of interest and also relevant ledger accounts etc. On that ground made an addition of Rs.1,01,84,476/- by disallowing the claim of deduction u/s 80P(2)(a)(i) of the Act and an addition of Rs.1,73,87,209/- by disallowing interest paid.

3. When the assessee preferred appeal, the Ld.CIT(A) directed the Assessing Officer to delete the addition made on account of disallowance of establishment expenses. The Ld.CIT(A), however recorded that the assessee failed to furnish the complete list of its members showing the number of members, membership no., date of joining the society, the sample membership forms filled at the time of joining the society, the sample KYC details obtained, the amount of loans and advances, balance of each member at the beginning of the year, loans and advances given to the members during the F.Y.2019-20, loans received back in F.Y.2019-20, closing balances as on 31.03.2020, interest charge rate and interest income each member-wise etc. and on that ground, declined to delete the disallowance u/s 80P of the Act. So also, the Ld.CIT(A) recorded that the assessee failed to furnish the complete list of its members showing the number of members, membership no., date of joining the society, the sample membership forms filled at the time of joining the society, the sample KYC details obtained, the amount of loans and advances received from the members during the F.Y.2019-20, loans repaid back in F.Y.2019-20, closing balances as on 31.03.2020, interest charge rate and interest expenses each member-wise etc. along with complete PAN of each member and the details of payments made of interest expense to members. On this

ground, he declined to delete the addition made on account of disallowance of interest.

4. Hence, the assessee filed this appeal and submitted that as recorded by the Ld.CIT(A), when the Assessing Officer sought the production of list of names of persons from whom the loans have been taken, the assessee furnished the same, however, the Assessing Officer made the addition, holding that the assessee failed to prove the genuineness of the transaction of the expenses incurred etc. Though the Ld.CIT(A) observed that the assessee did not furnish documents enumerated in the order, the Ld.CIT(A) never asked the assessee to produce any such documents and the assessee was under the impression that the documents produced by it would be sufficient for disposal of the case by accepting their claim. Since the assessee did not get the opportunity to know the documents required by the Ld.CIT(A), the same could not be produced and therefore, the assessee produced all such documents with an additional evidence petition. The Ld.AR prayed that the additional evidence may be received and the additions may be deleted.

5. The Ld.DR submitted that from the beginning, the assessee is not cooperative and it did not cooperate with the Assessing Officer by producing relevant documents and by establishing the genuineness of the transaction and that the expenses were wholly and exclusively incurred for business purpose. Since the assessee did not produce the documents before the Ld.CIT(A), the Ld.DR opposed the receipt of documents as the additional evidence in this appeal.

6. We have gone through the recording in the light of the submission made either side. The impugned order does not speak that at any point of time, the Ld.CIT(A) required the assessee to produce any documents or that in spite of such requirement, the assessee failed to produce the same. The

Ld.CIT(A) noted that during the course of appeal proceedings, the assessee failed to submit the complete list of its members showing the number of members, membership no., date of joining the society, the sample membership forms filled at the time of joining the society, the sample KYC details obtained, the amount of loans and advances, balance of each member at the beginning of the year, loans and advances given to the members during the F.Y.2019-20, loans received back in F.Y.2019-20, closing balances as on 31.03.2020, interest charge rate and interest income each member-wise etc.

7. Having regard to the facts and circumstances of the case and considering request of the assessee, we deem it just and proper to allow additional evidence petition and to receive the documents and while setting aside the issues relating to disallowance of claim u/s 80(P) and interest to the file of the Assessing Officer, we require the Assessing Officer to examine the same and to take a view according to law. Grounds of appeal are accordingly allowed for statistical purpose.

8. In the result, appeal of the assessee is allowed for statistical purpose.

9. Order pronounced in the open court on this the 6<sup>th</sup> day of August, 2024.

Sd/-  
**(MADHUSUDAN SAWDIA)**  
**ACCOUNTANT MEMBER**

Sd/-  
**(K. NARASIMHA CHARY)**  
**JUDICIAL MEMBER**

Hyderabad,

Dated: 06/08/2024

LR, SPS

Copy forwarded to:

- 1.The City Civil Courts Employees Mutually Aided Co-operative Society Limited, City Courts Building, Hyderabad
2. The Income Tax Officer, Ward-9(1), Hyderabad
- 3.The Pr.CIT,Hyderabad.
- 4.DR, ITAT, Hyderabad.
- 5.GUARD FILE

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ASSISTANT REGISTRAR  
ITAT, HYDERABAD