



IN THE INCOME TAX APPELLATE TRIBUNAL, PANAJI BENCH, PANAJI



BEFORE HON'BLE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

AND

SHRI G. D. PADMAHSHALI, ACCOUNTANT MEMBER

ITA Nos. 276/PAN/2024

Assessment Year : 2017-18

Canara District Primary Teachers
Co-operative Society, Ltd.
Teachers Co-op. Building,
Gudigar Oni, Market Area, Ankola.
PAN : AABAC7091H

..... *Appellant*

V/s

Income Tax Officer
Ward-2, Karwar.

..... *Respondent*

Appearances

Assessee by : None

Revenue by : Mr S Manikandan ['Ld. DR']

Date of conclusive Hearing : 06/03/2025

Date of Pronouncement : 11/03/2025

ORDER

PER G. D. PADMAHSHALI, AM;

The assessee is in appeal against DIN & Order No. ITBA/APL/S/250/2024-25/1069087281(1) dt. 25/09/2024 passed u/s 250 of the Income-tax Act, 1961 ['the Act' hereinafter] by the Addl/Jt. Commissioner of Income Tax, Appeals-2, Noida ['Ld. CIT(A)' hereinafter] which in turn arisen out of order of assessment dt. 19/12/2019 passed u/s 143(3) of the Act by the Income Tax Officer, Ward-2, Karwar ['Ld. AO' hereinafter] for assessment year 2017-18 ['AY' hereinafter].



2. The case was called twice; none appeared at the behest of the appellant. Having regard limited issue involved, upon the Revenue's request we deem it fit to proceed ex-parte in the absence of appellant u/r 24 of ITAT-Rules, 1963. After noting we advanced accordingly.

3. **The long and short of the case is that;** the assessee a co-operative society established to promote the economic interest of primary school teachers of the Canara District of Karnataka State and registered under the provisions of State Co-op. Societies Act. For the year under consideration the assessee derived/earned an interest income of ₹6,88,088/- on fixed deposit & dividend income of ₹7,36,626/- on shares held with 'Kanara District Central Co-op. Bank Ltd., ['KDCC' hereafter], and similarly interest income of ₹36,879/- & ₹44,096/- was received from Ankola Urban Bank & SBI respectively. The assessee filed its return of income ['ITR' hereafter] on 16/10/2017 declaring NIL income after claiming chapter VI-A deduction of ₹51,58,180/- (supra) u/s 80P(2) of the Act. The case of the assessee was subjected to scrutiny by service of notice u/s 143(2) of the Act. The submission made and the explanation tendered by the



assessee in support of its claim for deduction u/s 80P(2) of the Act did fail to inspire any confidence, for the reason the Ld. AO denied the claim for 80P(2)(d) deduction and made the addition. In addition to above the rental income of ₹30,000/- was also added to the total income of the assessee while framing the assessment order u/s 143(3) of the Act. Aggrieved assessee futilely contested the former denial & assessment in an appeal before first appellate forum. Thus, hurt by the orders of tax authorities below, the assessee society is in appeal before us with a sole and substantive ground that denial of 80P(2)(d) deduction in its case is bad in law and devoid of merits.

4. Without touching the merits of the case, we have heard the Ld. DR and subject to rule 18 of ITAT-Rules 1963 perused the material placed on record. At the outset, we note in first appellate proceedings, the assessee effectively failed responded the notice and adduce any evidential documents in support of its claim. In the event the Ld. CIT(A) had to culminate the proceeding *ex-parte* in the absence of evidences. However, we also note that of the six notices issued by the Ld. CIT(A), the first three notices were found to have issued during the subsistence of COVID-19 Pandemic hence went unattended. The



appellant sought adjournment against other notice for collating necessary documents & preparation of submission.

5. The reasons behind appellant's failure to upload these evidences and reasons of non-prosecution are sufficiently explained. Considering the same, we are of the view that the appellant for sufficient cause was prevented from prosecuting the first appeal effectively. Therefore, we deem fit to accord one more opportunity to the appellant to prove its case on merits before the Ld. CIT(A), which the Revenue could hardly object. In view thereof, without commenting on merits, we set-aside the impugned order for its remittance to the file of Ld. CIT(A) to the stage of its institution for de-novo adjudication in accordance with law.

6. In result, the appeal is allowed for statistical purposes.

In terms of rule 34 of ITAT Rules, 1963 the order pronounced in the open court on date mentioned herein before.

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

**-S/d-
G. D. PADMAHALI
ACCOUNTANT MEMBER**

Panaji/Dt: 11th March, 2025.

Copy of the Order forwarded to :

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| 1. The Appellant. | 2. The Respondent. | 3. The CIT(A)/NFAC Concerned |
| 4. PCIT Concerned | 5. DR, ITAT, Panaji Bench, Panaji | 6. Guard File |

By Order,
Sr. Private Secretary / AR ITAT, Panaji.