

**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH : BANGALORE**

**BEFORE SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA Nos. 114 to 116/Bang/2025
Assessment Years : 2018-19 & 2020-21

M/s. Sri Jagadguru Renukacharya Co- operative Credit Society Ltd., Chennappa Kunnar College Road, Shiggaon – 581 205. PAN: AAFT9472F	Vs.	The Income Tax Officer, Ward – 1, Haveri.
APPELLANT		RESPONDENT

Assessee by	:	Shri Siddesh N Gaddi, CA
Revenue by	:	Shri Subramanian .S, JCIT-DR

Date of Hearing	:	03-06-2025
Date of Pronouncement	:	06-06-2025

ORDER

PER SOUNDARARAJAN K., JUDICIAL MEMBER

These are the appeals filed by the assessee challenging the penalty order in ITA No. 115/Bang/2025 for A.Y. 2018-19 and the quantum appeals in ITA Nos. 114 & 116/Bang/2025 for A.Ys. 2018-19 and 2020-21 respectively passed by the NFAC, Delhi all dated 06/12/2024.

2. All these appeals are related to the same assessee and therefore we decided to take up all the appeals together and pass a common order for the sake of convenience.

3. The assessee is a co-operative society registered under the Karnataka Co-operative Societies Act. During the A.Ys. 2018-19 and 2020-21, the assessee filed their return of income declaring a Nil income and claimed a deduction u/s. 80P(2)(a)(i) of the Act. Thereafter, their case was selected for complete scrutiny and the AO made the assessment orders u/s. 144 of the Act and denied the deduction claimed u/s. 80P(2)(a)(i) of the Act. The AO also imposed penalty u/s. 270A of the Act for underreporting of income which is in consequence of misreporting thereof in respect of the A.Y. 2018-19.

4. The assessee filed appeals before the Ld.CIT(A) with a delay of 800 and 495 days in respect of A.Y. 2018-19 and 402 days in respect of A.Y. 2020-21. The assessee also explained the reasons for the said delay and relied on the judgment of the Hon'ble Supreme Court in which the Hon'ble Supreme Court had excluded the covid period for the purpose of calculating the said delay. The assessee also relied on the illness caused to their Manager for the said delays. The assessee filed a detailed application to condone the said delay and prayed to condone the said delays.

5. The Ld.CIT(A) vide its orders dated 06/12/2024 had dismissed the appeals on the ground that the assessee had not submitted any relevant documents for the said delays.

6. As against the said orders, the assessee is in appeals before this Tribunal.

7. At the time of hearing, the Ld.AR submitted a small paper book in which he filed written submissions and also filed an application to accept the additional evidences filed by them. The Ld.AR further submitted that

because of the covid period, the entire activities of the assessee would come to standstill and also because of the ill health of the Manager, the assessee was not able to take further actions in prosecuting the appeals. The Ld.AR further submitted that because of the health condition of the Manager, the assessee was not appeared before the AO as well as before the Ld.CIT(A) and prayed that an opportunity may be granted to them, to decide the appeal on merits.

8. The Ld.DR relied on the orders of the lower authorities and submitted that the order of the Ld.CIT(A) in rejecting the appeals are in order and prayed to dismiss the appeals.

9. We have heard the arguments of both sides and perused the materials available on record.

10. We have gone through the assessment order in which the AO had disallowed the deduction claimed u/s. 80P of the Act since the assessee had not responded to any of the notices issued by him. Admittedly, the assessee is a co-operative society registered under the provisions of the Karnataka Co-operative Societies Act and therefore their income is prima facie eligible for deduction u/s. 80P(2) of the Act. But unfortunately, the assessee had not appeared before the AO and substantiated their claim that they are entitled for deduction u/s. 80P(2) of the Act. Therefore the AO has no other way except to disallow the deduction and pass assessment orders u/s. 144 of the Act.

11. We have considered the reasons stated by the assessee that their Manager fell sick and he has not attended the office work for quite long time and in the meanwhile the covid lockdown was also promulgated and therefore the delay has been occurred in filing the appeals before the Ld.CIT(A). We have also considered the submissions made by the assessee that if the covid period was excluded as per the judgment of the Hon'ble Supreme Court, then the delay will be less and if the illness of the Manager

is taken as a reason for not filing the appeal in time, we are of the view that the delay is to be condoned to render substantial justice. If the said delay is not condoned, the assessee would have lost an opportunity to put forth their case before the authorities. Infact the assessee had lost both the opportunities i.e. one before the AO and the another before the Ld.CIT(A).

12. We, therefore, thought it fit to grant an another opportunity to the assessee to appear before the JAO with the documentary evidences on the condition that the assessee should pay a cost of Rs. 10,000/- each in respect of the quantum appeals to the PM National Relief Fund with in a period of Four weeks from the date of receipt of this order and produce the receipt before the JAO. In the event of non compliance the appeals will be treated as dismissed.

13. We, therefore set aside the order of the Ld.CIT(A) as well as the AO and remit the matter to the file of the AO for denovo consideration after hearing the assessee.

14. In the result, all the three appeals filed by the assessee are allowed for statistical purposes.

Order pronounced in the open court on 06th June, 2025.

Sd/-
(LAXMI PRASAD SAHU)
Accountant Member

Sd/-
(SOUNDARARAJAN K.)
Judicial Member

Bangalore,
Dated, the 06th June, 2025.
/MS /

Copy to:

1. Appellant
2. Respondent
3. CIT
4. DR, ITAT, Bangalore
5. Guard file
6. CIT(A)

By order

Assistant Registrar,
ITAT, Bangalore