

आयकर अपीलीय अधिकरण, विशाखापटणम पीठ, विशाखापटणम

**IN THE INCOME TAX APPELLATE TRIBUNAL
VISA KHAPATNAM "DIVISION" BENCH, VISA KHAPATNAM**

**श्री दुव्वूरु आर एल रेड्डी, उपाध्यक्ष, एवं श्री एस बालाकृष्णन, लेखा सदस्य के समक्ष
BEFORE SHRI DUVVURU RL REDDY, HON'BLE VICE PRESIDENT**

&

SHRI S BALAKRISHNAN, HON'BLE ACCOUNTANT MEMBER

आईटीए. नं. / ITA No. 369/VIZ/2025 (A.Y. 2020-21)

Voodimudi Primary Agricultural Cooperative Credit Society Limited K. Gangavaram, Kotipalli-533306 Andhra Pradesh [PAN:AAAAV8292Q]	v.	Income Tax Officer Rajahmundry
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)

करदाताकाप्रतिनिधित्व/ Assessee Represented by	:	Shri KSS Sarma, CA
राजस्वकाप्रतिनिधित्व/ Department Represented by	:	Dr. Aparna Villuri, Sr.AR
सुनवाईसमाप्तहोनेकीतिथि/ Date of Conclusion of Hearing	:	14.08.2025
घोषणाकीतारीख/Date of Pronouncement	:	28.08.2025

आदेश /ORDER

PER SHRI S BALAKRISHNAN, ACCOUNTANT MEMBER:

1. This appeal is filed by the assessee against order of Learned Commissioner of Income Tax (Appeals), National Faceless Appeal centre, Delhi [hereinafter in short "Ld.CIT(A)"] vide DIN & Order No. ITBA/NFAC/S/250/2024-25/1075171629(1) dated 28.03.2025 for the A.Y.2020-21 arising out of the order passed under section 143(3) of the Income Tax Act, 1961 (in short 'Act') dated 16.09.2022.

2. Brief facts of the case are that, assessee is a credit co-operative society engaged in the business of providing credit facilities to its members. Assessee filed its return of income on 14.01.2021 for the A.Y. 2020-21 declaring and total income of Rs.Nil after claiming deduction of Rs.52,70,558/- under section 80P of the Act. Assessee claimed deduction of Rs.23,81,934/ under section 80P(2)(a)(i) for banking / credit facilities to its members and Rs. 28,88,624/- under section 80P(2)(a)(iii) for marketing of agricultural produce. The case of the assessee selected for limited scrutiny to examine the issues of:

- a. Deduction from total income under Chapter VI-A
- b. Low income comparison to high loans / advances/ investment in share appearing in balance sheet and
- c. High liabilities as compared to low income / receipts.

3. Subsequently, statutory notices under section 143(2) and 142(1) of the Act were issued and served on the assessee. In response, assessee filed its reply on 27.11.2021 and furnished the information as called for. After considering the submissions of the assessee, Ld. Assessing Officer [hereinafter in short "Ld.AO"] noticed that assessee failed to furnish the details of commission earned by the assessee from members/non- members and has only filed copy of Form 26AS, from which the commission to members / non-members could not be determined. Therefore, he concluded the assessment by observing that assessee failed to produce the relevant documentary evidences to prove that it has expended expenditure with respect to earning of interest income and

determined the income of the Assessee at Rs.52,70,558/-by denying the exemption claimed by the assessee.

4. On being aggrieved by the order of the Ld. AO, assessee preferred an appeal before the Ld. CIT(A) and submitted its submissions. After considering the submissions of the assessee, Ld. CIT(A) partly allowed the appeal of the assessee.

5. On being aggrieved by the order of the Ld. CIT(A), assessee is in appeal before us by raising following grounds of appeal: -

“1. The order of CIT (Appeals) NFAC is arbitrary and unjust.

2. The CIT(A) ought to have allowed deduction US 80P(2)(a)(iii) in respect of commission earned from Andhra Pradesh state Civil supplies corporation limited.

3. The CIT(A) ought to have given some more time for giving the details of member wise commission earned from Andhra Pradesh state Civil supplies corporation limited instead of dismissal of the appeal.

4. The appellant craves leave to add to, amend, alter, delete all or any of the above grounds of appeal.”

6. At the time of hearing, Ld. Authorised Representative [hereinafter “Ld.AR”] of the assessee submitted the details of members of the society, which he could not be able to produce before the Ld. AO as well as Ld. CIT(A). He therefore pleaded that the matter be remitted back to the file of the Ld. AO for examination and deciding the case on merits.

7. Per contra, Ld. Departmental Representative [hereinafter in short “Ld.DR”] relied on the orders of lower authorities. However, she has no objection to remit this issue back to the file of the Ld. AO for verification.

8. We have heard the rival submissions and perused the material available on record including the details of Members produced before us by the Ld.AR. We observe that assessee has failed to produce these details before Ld. AO as well as Ld. CIT(A), we therefore in order to provide one more opportunity to the assessee by following the principles of natural justice, considered it deem fit to remit the matter back to the file of the Ld. AO for adjudicating the case on merits based on the details produced by the assessee. Needless to say, that the assessee should cooperate with the assessment proceedings before the Ld. AO without seeking unnecessary adjournments, failing which the Ld. AO is at liberty to decide the issue on merits in accordance the with the material available on record.

9. In the result, appeal filed by the assessee is allowed for statistical purpose.

Order pronounced in the open court on 28th August, 2025.

Sd/-
(दुव्वूरु आर एल रेड्डी)
(DUVVURU RL REDDY)
उपाध्यक्ष/ VICE PRESIDENT

Dated: 28.08.2025
Giridhar, Sr.PS

Sd/-
(एस बालाकृष्णन)
(S. BALAKRISHNAN)
लेखा सदस्य/ACCOUNTANT MEMBER

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to:-

1. निर्धारिती/ The Assessee : **Voodimudi Primary Agricultural Cooperative Credit Society Limited**
K. Gangavaram, Kotipalli-533306
Andhra Pradesh
2. राजस्व/ The Revenue : **Income Tax Officer**
Rajahmundry
3. The Principal Commissioner of Income Tax
4. विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण, विशाखापटणम /DR,ITAT, Visakhapatnam
5. The Commissioner of Income Tax
6. गार्डफ़ाईल / Guard file

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Visakhapatnam