

IN THE INCOME TAX APPELLATE TRIBUNAL PANAJI BENCH
PANAJI

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER &
SHRI G D PADMAHSHALI ACCOUNTANT MEMBER

I T A. No.82/PAN/2025
(A.Y. 2021-22)

Hattaragi Shri Basaveshwar Cooperative Credit Society Ltd, At Post Hattargi Taluka Hukkeri, Belgaum-591243, Karnataka.	Vs .	ADIT, CPC, Electronic City, Bangalore-560500, Karnataka.
PAN .No. AAAAS5618K		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	Shri.Vishal Rao.AR
Revenue by	Smt.Rijula Uniyal. Sr.DR

सुनवाई की तारीख/Date of Hearing	04.08.2025
घोषणा की तारीख/Date of Pronouncement	07.08.2025

ORDER

PER PAVAN KUMAR GADALE, JM:

The appeal is filed by the assessee against the order of the ADDL/JCIT(A)-1 noida passed u/sec 250 of the Act. The assessee has raised the grounds of appeal challenging the order of the CIT(A) on the denial claim of deduction u/sec80P of the Act.

2. The brief facts of the case are that, the assessee is a credit cooperative society and has filed the return of income for the A.Y 2021-22 on 15.02.2022 disclosing a total income of Rs.29,100 after claiming deduction u/sec

80P of the Act. Subsequently the return of income was processed with the denial of claim of deduction under section 80P(2)(d) of the Act and determined total income of Rs.21,49,840/- vide order u/sec143(1) of the Act dated 19-10-2022. Further the assessee has filed rectification petition u/sec154 of the Act and the same was rejected vide order dated 13-11-2022.

3. Aggrieved by the order u/sec 154 of the Act, the assessee has filed an appeal before the CIT(A), whereas the CIT(A) considered the grounds of appeal, submissions of the assessee and findings of the A.O but sustained the action of the A.O and dismissed the assessee appeal. Aggrieved by the order of the CIT(A), the assessee has filed an appeal with the Hon'ble Tribunal.

4. At the time of hearing, the Ld.AR submitted that the CIT(A) has erred in confirming the action of the A.O in treating the interest income from cooperative bank is ineligible for deduction u/s 80P(2)(d) of the Act. Whereas, the CIT(A) has considered the facts on claim of deduction u/s 80P(2)(d) of the act but took a different view. The Ld.AR emphasized that the return of income was filed within extended due date u/sec139(1) of the Act and the claim has to be allowed as the cooperative bank is treated as a cooperative society for eligibility of deduction u/s 80P(2)(d) of the Act. Further the Ld.AR submitted that the assessee has a good case on merits and has filed an application for admission of the additional evidence under

Rule 29 of ITAT rules and substantiated the submissions with the paper book and judicial decisions. Per contra, the Ld. DR submitted that the evidences were not examined by the lower authorities.

5. We heard the rival submissions and perused the material on record. The sole matrix of the disputed issue envisaged by the Ld.AR is in respect of granting of deduction u/s 80P(2)(d) of the Act to the Cooperative Society. The Ld. AR submitted that the interest income derived by a co-operative society from its deposits with the co-operative bank would be entitled for deduction U/sec 80 P(2)(d) of the Act. The Ld.AR highlighted that the assessee has received interest on fixed deposits with the Belagavi District Co-op Bank Limited(BDCC) and further the co-operative bank is treated as a cooperative society for eligibility of deduction u/s 80P(2)(d) of the Act. The Ld.AR emphasized that the assessee has submitted the details as called for by the authorities. The assessee is filling the application for admission of additional evidences under Rule 29 of ITAT rules with English translation of the profit & loss account and the balance sheet which could not be submitted before the lower authorities. Further the evidences play a important role in decision making in the adjudicating proceedings. Prima-facie, the CIT(A) has dealt on the findings of the AO and has not considered the submissions/evidences of the assessee filed in the proceedings. Therefore considering the facts, circumstances

and additional evidences, the assessee should not suffer for non filing of material information, as the evidences play a vital role in decision making and we admit the additional evidence. Accordingly, to meet the ends of justice, we restore the disputed issues along with the additional evidence to the file of the CIT(A) to verify and adjudicate afresh on merits and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting the information for early disposal of appeal. And, we allow the grounds of appeal of the assessee for statistical purposes.

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

Order pronounced in the open court on 07.08.2025.

-S/d-

(GD PADMAHSHALI)
ACCOUNTANT MEMBER

Panaji Dated: 07/08/2025

-S/d-

(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Copy of the Order forwarded to:

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

//True Copy//

BY ORDER,

(Asstt. Registrar)ITAT,
Panaji

		Date	<u>Initial</u>	
1.	Draft dictated on			PS
2.	Draft placed before author			PS
3.	Draft proposed & placed before the second member			PS
4.	Draft discussed/approved by Second Member.			PS
5.	Approved Draft comes to the Sr.PS/PS			PS
6.	Kept for pronouncement on			
7.	File sent to the Bench Clerk			
8.	Date on which file goes to the AR			
9.	Date on which file goes to the Head Clerk.			
10.	Date of dispatch of Order.			
11.	Dictation Pad is enclosed			