

**IN THE INCOME TAX APPELLATE TRIBUNAL  
KOLKATA 'C' BENCH, KOLKATA**

**Before**

**SHRI GEORGE MATHAN, JUDICIAL MEMBER  
&  
SHRI RAKESH MISHRA, ACCOUNTANT MEMBER**

**ITA No.: 905/KOL/2025  
Assessment Year: 2016-17**

Natungram Samabay Krishi Unnayan Samity Limited <b>(Appellant)</b>	Vs.	ITO, Ward-42(1), Murshidabad <b>(Respondent)</b>
<b>PAN: AABAN6402F</b>		

**Appearances:**

**Assessee represented by** : Trideep Nayak, and P.K. Ray, and  
R.C. Halder, AR.

**Department represented by** : Pradeep dung Dung , Sr. DR.

Date of concluding the hearing : 03-November-2025

Date of pronouncing the order : 27-January-2026

**ORDER**

**PER RAKESH MISHRA, ACCOUNTANT MEMBER:**

This appeal filed by the assessee is against the order of the Commissioner of Income Tax (Appeals)-NFAC, Delhi [hereinafter referred to as Ld. 'CIT(A)'] passed u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') for AY 2016-17 dated 26.02.2025.

2. The assessee is in appeal before the Tribunal raising the following grounds of appeal:

*"1 That, the Ld. Commissioner of Income Tax (Appeals) erred in not appreciating the submission as abstracted by him in his appeal order therefore, inter alia erred in confirming the addition of the appeal order and therefore, the addition confirmed may please be deleted.*

*2 That, the Ld. Commissioner of Income Tax (Appeals) as well as the Ld. Assessing Officer failed to appreciate that the Appellant is not involved in the business of banking and it is only a Co-operative society legislated under the Co-operative Society Act and involved in providing credit facilities only*



to members as provided in the act and hence ought to have allowed the same.

3. That, the Ld. Commissioner of Income Tax (Appeals) as well as the Ld. Assessing Officer erred in disallowing the claim of deduction u/s 80P(2)(a)(i) of the Income Tax Act, 1961 without appreciating the facts and nature of the Appellant as well as the entire transaction within member of the Appellant.

4 That, the Ld. Commissioner of Income Tax (Appeals) as well as the Ld. Assessing Officer erred in disallowing the provision of interest, suspense & other in computing the total income of the Appellant, the same would only go to increase the income of the co-operative society, which in turn, automatically lead to enhanced deduction of section 80P of the Income Tax Act, 1961.

5 That, the Ld. Commissioner of Income Tax (Appeals) has erred in relying on various case laws, which are not at all applicable to the Appellant's case

The aforesaid grounds are without prejudice to each other and the appellant craves leave to add/delete/alter and/or amend any of grounds as aforesaid as and when necessary.”

3. Brief facts of the case are that the assessee is a Primary Agricultural Credit Society and had filed the return of income showing 'NIL' income after claiming deduction u/s 80P of the Act at ₹36,40,934/- . Subsequently, the case was selected under Computer Assisted Scrutiny Selection (in short 'CASS'). During the course of assessment proceedings, the Assessing Officer (hereinafter referred to as Ld. 'AO') issued notice u/s 142(1) of the Act in response to which the assessee did not furnish any details. Subsequently, the assessment was completed as best judgment and deduction u/s 80P of ₹36,40,934/- was disallowed and the liabilities of ₹3,23,82,878/- in the balance sheet were also added to the total income of the assessee in the absence of supporting documents and evidences and the total income was assessed at ₹3,60,23,813/- u/s 144 of the Act. Aggrieved with the assessment order, the assessee filed an appeal before the Ld. CIT(A) who carefully examined the submissions filed by the assessee and noted that the Ld. AO had passed the assessment order by making huge addition

in the absence of proper reply on behalf of the assessee. Thereafter, the Ld. CIT(A) restored the issue to the file of the Ld. AO for deciding all the facts on merit afresh by holding as under:

*“9.4 With respect to the addition made by the AO on account of disallowance of deduction u/s 80P amounting to Rs. 36,40,934/- and the liabilities of Rs.3,23,82,878/- in the balance sheet. It is noticed that the AO has added total deduction and liabilities of the appellant without examining the facts. As the Assessing officer failed to examine the books of accounts and interest paid to the members. It is also fact that the Assessing officer has not brought any material on record to indicate that the appellant has obtained any benefit against such liabilities and the mechanical addition of entire liabilities of Rs. 3,23,82,878/- for the A.Y. 2016-17. Therefore, in view of the power conferred as per clause(a) of sub-section (1) of section 251 of the act applicable with effect from 01.10.2024, I hereby set aside the impugned assessment order passed u/s. 144 of the Income Tax Act to the file of the AO for fresh assessment. Therefore, the considering the facts and circumstances of the case, the assessment proceedings is restored back to the file of the Assessing Officer to decide all the facts on merit freshly in accordance with law. Needless to say that before passing the order, the Assessing Officer shall grant fair opportunity of being heard to the appellant. The Appellant is also directed to appear before the Assessing Officer as and when the date of hearing is given and to provide all necessary evidence and information without any further delay and not to seek the adjournment without any valid reason. According, the grounds of appeal by appellant are allowed for statistical purpose.*

*In the end result, the appeal of the appellant is allowed for statistical purpose in above terms.”*

4. Aggrieved with the order of the Ld. CIT(A), the assessee has filed the appeal before the Tribunal.
5. Rival contentions were heard and the submissions made have been examined.
6. We have considered the facts of the case, the submissions made and the documents filed. As noted in the preceding paragraph, the Ld. CIT(A) has rightly set aside the assessment order and referred all the issues back to the Ld. AO as per the Proviso to section 251(1)(a) of the



Act, therefore, there is no reason to interfere with the findings of the Ld. CIT(A) whose decision is as per the amended provisions and hence, the grounds of appeal raised by the assessee are hereby dismissed.

7. In the result, the appeal filed by the assessee is dismissed.

**Order pronounced in the open Court on 27<sup>th</sup> January, 2026.**

*Sd/-*

**[George Mathan]**

Judicial Member

*Sd/-*

**[Rakesh Mishra]**

Accountant Member

Dated: 27.01.2026

*Bidhan (Sr. P.S.)*



*Copy of the order forwarded to:*

- 1. Natungram Samabay Krishi Unnayan Samity Limited,  
Natungram, P.O. Natungram Kandi, Murshidabad, West Bengal,  
742137.**
- 2. ITO, Ward-42(1), Murshidabad.**
3. CIT(A)-NFAC, Delhi.
4. CIT-
5. CIT(DR), Kolkata Benches, Kolkata.
6. Guard File.

*// True copy //*

By order

Assistant Registrar  
ITAT, Kolkata Benches  
Kolkata