

आयकर अपीलीय अधिकरण, 'डी' न्यायपीठ, चेन्नई

IN THE INCOME TAX APPELLATE TRIBUNAL

'D' BENCH, CHENNAI

श्री एन.आर.एस. गणेशन, न्यायिक सदस्य एवं

श्री ए. मोहन अलंकामणी, लेखा सदस्य केसमक्ष

BEFORE SHRI N.R.S. GANESAN, JUDICIAL MEMBER AND  
SHRI A. MOHAN ALANKAMONY, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.418/Chny/2018

निर्धारण वर्ष / Assessment Year : 2012-13

The Income Tax Officer,  
Ward – 5,  
D.P. Thottam, Muthialpet,  
Puducherry – 605 003.

v. M/s The Central Co-op.  
Processing Supply and Marketing  
Society Ltd., Industrial Estate,  
Thattanchavadi,  
Pondicherry – 605 009.

(अपीलार्थी/Appellant)

PAN : AAAAT 0073 F

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Ms. S. Vijayaprabha, JCIT

प्रत्यर्थी की ओर से/Respondent by : None

सुनवाई की तारीख/Date of Hearing : 13.08.2018

घोषणा की तारीख/Date of Pronouncement : 12.09.2018

### **आदेश /O R D E R**

**PER N.R.S. GANESAN, JUDICIAL MEMBER:**

This appeal of the Revenue is directed against the order of the Commissioner of Income Tax (Appeals), Puducherry, dated 02.11.2017 and pertains to assessment year 2012-13.

2. No one appeared for the assessee inspite of service of notice by RPAD. Therefore, we heard the Ld. Departmental Representative and proceeded to dispose the appeal on merit.

3. Ms. S. Vijayaprabha, the Ld. Departmental Representative, submitted that the assessee claimed deduction under Section 80P(2)(iii) of the Income-tax Act, 1961 (in short 'the Act') before the Assessing Officer. Under Section 80P(2)(iii) of the Act, the Assessing Officer can allow only ₹50,000/-. However, the CIT(Appeals) allowed the claim of the assessee under Section 80P(2)(iii) of the Act. The Ld. D.R. further submitted that the assessee-co-operative society is trading in agricultural commodities, therefore, not eligible for exemption under Section 80P(2)(iii) of the Act.

4. We heard the Ld. Departmental Representative and perused the relevant material available on record. We have carefully gone through the provisions of Section 80P(2)(iii) of the Act. Section 80P(2)(iii) of the Act clearly says that marketing of agricultural produce grown by the members of the co-operative society is eligible for exemption under Section 80P(2)(iii) of the Act. In this

case, the assessee-co-operative society is marketing agricultural commodities, therefore, the CIT(Appeals) has rightly allowed the claim of the assessee.

5. The next issue arises for consideration is non-deduction of tax in respect of interest paid to M/s Pondicherry Industrial Development and Investment Corporation Ltd.

6. We heard Ms. S. Vijayaprabha, the Ld. Departmental Representative. Admittedly, M/s Pondicherry Industrial Development and Investment Corporation Ltd. was established by Government of Pondicherry. Therefore, the CIT(Appeals) has rightly found that the payment of interest to the company established by Government is not subjected to TDS. Therefore, the CIT(Appeals) has rightly allowed the claim of the assessee. This Tribunal do not find any reason to interfere with the order of the lower authority and accordingly the same is confirmed.

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

Order pronounced in the court on 12<sup>th</sup> September, 2018 at  
Chennai.

sd/-

(ए. मोहन अलंकामणी)

(A. Mohan Alankamony)

लेखा सदस्य/Accountant Member

चेन्नई/Chennai,

दिनांक/Dated, the 12<sup>th</sup> September, 2018.

Kri.

sd/-

(एन.आर.एस. गणेशन)

(N.R.S. Ganesan)

न्यायिक सदस्य/Judicial Member

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त (अपील)/CIT(A), Puducherry
4. Principal CIT, Puducherry
5. विभागीय प्रतिनिधि/DR
6. गार्ड फाईल/GF.