

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH “SMC”: NEW DELHI**

BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER

ITA No. 2294/DEL/2022
[Assessment Year: 2018-19]

Shree Aggar Dhara Co-op Thrift & Credit Society Limited F-22/141, 2 nd Floor, Sector-3, Rohini, Delhi-110085. PAN- AAHAS6636E	<u>Vs</u>	Income-tax Officer, Ward-39(5), New Delhi.
APPELLANT		RESPONDENT
Assessee represented by	Sh. Ankur Jain, Advocate	
Department represented by	Shri Om Parkash, Sr. DR	
Date of hearing	19.01.2023	
Date of pronouncement	08.02.2023	

ORDER

PER KUL BHARAT, JM:

This appeal, by the assessee, is directed against the order of the learned Commissioner of Income-tax (Appeals), National Faceless Appeal Centre (INFAC), Delhi, dated 21.07.2022, pertaining to the assessment year 2018-19. The assessee has raised following grounds of appeal:

“1. That the Ld CIT(A) erred in law and in facts in upholding the action of Assistant Director of Income tax, CPC (Ld. AO) which disallowed the deduction u/s 80P amounting to Rs. 8,29,1S8 and thereby determined a total tax demand of Rs. 3,06,410 on the appellant.

2. That the Ld. CIT(A) erred in law in disregarding the fact that the

status of appellant is “cooperative society engaged in providing thrift/Credit facilities to its members” and that this status in itself is enough to be eligible to claim deduction under section 80P(2)(a)(i) of the Act.

3. The appellant further craves leave to add, amend, alter, delete, rescind, forgo or withdraw any of the above grounds of appeal either before or during the course of the appellate proceedings.”

2. Facts giving rise to the present appeal are that for A.Y. 2018-19 the assessee filed its return of income on 05.06.2018. The Centralized Processing Center, Bengaluru issued intimation u/s 143(1) of the Income-tax Act, 1961 (in short “the Act”) dated 12.07.2019. Thereby it made adjustment of Rs. 8,29,190/-, disallowing the claim of deduction. Aggrieved against this the assessee preferred appeal before the learned CIT(Appeals), who after giving opportunity to the assessee sustained the adjustment made by the CPC. Now the assessee is in appeal before this Tribunal.

3. Learned counsel for the assessee submitted that the authorities below have not considered the provisions of law. The learned counsel submitted that the assessee is a cooperative society and is engaged in the business of providing thrift/credit facilities to its members. It claimed deduction u/s 80P of the Act amounting to Rs. 8,79,188/- being net gains realized by the assessee from providing credit and banking facilities to its members. Learned counsel submitted that the assessee rectified its return of income in pursuance of steps suggested by the CPC but still claim of the assessee was rejected.

4. On the contrary, learned DR opposed the submissions and supported the orders of the authorities below. He contended that the assessee failed to support its claim by relevant evidences.

5. I have heard the rival submissions and perused the material available on record. The only issue is whether the Centralized Processing Center U/s 143(1) of the Act was justified in making the adjustment declining the claim of deduction u/s 80P. Considering the totality of the facts and in view of the fact that before the learned CIT(Appeals) there was no effective representation by the assessee, I set aside the impugned order and restore the issue to the file of Assessing Officer to consider the submissions of the assessee and if found in order allow deduction u/s 80P of the Act as per law. Grounds raised in this appeal are allowed for statistical purposes.

6. Appeal of the assessee is allowed for statistical purposes.

Order pronounced in open court on 8th Feb. 2023.

Sd/-
(KUL BHARAT)
JUDICIAL MEMBER

MP

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI