

आयकर अपीलीय अधिकरण “बी” न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH, CHENNAI

माननीय श्री महावीर सिंह, उपाध्यक्ष एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य के समक्ष।
BEFORE HON’BLE SHRI MAHAVIR SINGH, VP AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं. ITA No.1082/Chny/2023
(निर्धारण वर्ष / Assessment Year: 2018-19)

Chenniagirivalasu Primary Agricultural Co-operative Credit Society Limited 76, Mugasipidariyur Graman, Mugasipidariyur Post, Perundurai-638 051.	बनाम / Vs.	ITO Ward-2(1), Erode.
स्थायी लेखासं./जी आइ आर सं./PAN/GIR No. AAAAA-9474-H		
(पीलार्थी/ Appellant)	:	(प्रत्यर्थी/ Respondent)

अपीलार्थीकी ओरसे/ Appellant by	:	None
प्रत्यर्थीकी ओरसे/ Respondent by	:	Shri D. Hema Bhupal (JCIT)-Ld.Sr. DR

सुनवाईकी तारीख/ Date of Hearing	:	28-11-2023
घोषणाकी तारीख/ Date of Pronouncement	:	28-11-2023

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. At the time of hearing, none appeared for assessee. The Sr. DR pleaded for dismissal of the appeal. Upon perusal of case records, the appeal is disposed-off as under. The assessee is a registered Society.
2. An assessment was framed against the assessee u/s 143(3) on 02.03.2021 wherein the deduction claimed u/s 80P(2)(a)(i) for Rs.26.06 Lacs was denied to the assessee. Further, the deduction claimed u/s

80P(2)(c)(ii) was restricted to Rs.0.50 Lacs as against Rs.1 Lacs claimed by the assessee.

3. During appellate proceedings, the assessee submitted that interest income from deposits with co-operative societies would be exempt u/s 80(P)(2)(d) as allowed by Hon'ble High Court of Madras in TCA No.5 of 2015 dated 10.08.2016. However, Ld. CIT(A) noted that in computation of income, the assessee has set-off Business losses from income from other sources and subsequently taken deduction u/s 80P(2)(a)(i) for Rs.26.06 Lacs. The aforesaid deduction would be available only on the profits and gains attributable to the activity of banking and providing credit to the members of the society. There was no such income left with the assessee. Regarding alternative claim u/s 80(P)(2)(d), the assessee did not claimed any such deduction. Therefore, the action of Ld. AO was upheld. On the claim of deduction u/s 80P(2)(c)(ii), the assessee submitted that it was doing Public Distribution System of Tamil Nadu Government. However, Ld. AO held that higher deduction would be available only in case of consumers' cooperative society which was not the case here. The Ld. CIT(A) confirmed the same against which the assessee is in further appeal before us.

4. It emerges that income from other sources constitute interest income which would be eligible for deduction u/s 80(P)(2)(d) in certain cases. The Ld. CIT(A) has merely denied the same on the ground that the same was not claimed by the assessee. Nevertheless, we are of the considered opinion, that if the assessee is eligible to claim the same, it would be available to the assessee. Therefore we direct Ld. CIT(A) to examine the alternative claim of the assessee. Regarding higher

deduction u/s 80P(2)(c)(ii) as claimed by the assessee, the same is also restored back to the file of Ld. CIT(A) for re-adjudication with a direction to the assessee to substantiate how it was eligible to claim higher deduction.

5. The appeal stand allowed for statistical purpose.

Order pronounced in open court on 28th November, 2023.

Sd/-
(MAHAVIR SINGH)
उपाध्यक्ष / **VICE PRESIDENT**

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखा सदस्य / **ACCOUNTANT MEMBER**

चेन्नई Chennai; दिनांक Dated :28-11-2023
DS

आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF