

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'C' BENCH, CHENNAI
श्री एसएस विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री एस.आर. रगुनाथा, लेखा सदस्य के समक्ष
Before Shri S.S. Viswanethra Ravi, Judicial Member &
Shri S.R. Raghunatha, Accountant Member

आयकर अपील सं./I.T.A. No.1043/Chny/2024
निर्धारण वर्ष/Assessment Year: 2017-18

T V Malai District Consumers Co-
operative Wholesale Stores Limited,
Chengam Road, Emalingam Backside,
Tiruvannamalai 606 603.

Vs. The Deputy Commissioner of
Income Tax,
Circle 1,
Vellore.

[PAN: AABAT6616P]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri S. Sridhar, Advocate
प्रत्यर्थी की ओर से/Respondent by : Shri R.V. Aroon Prasad, Addl. CIT
सुनवाई की तारीख/ Date of hearing : 23.07.2024
घोषणा की तारीख /Date of Pronouncement : 26.07.2024

आदेश / O R D E R

PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order dated 14.02.2024 passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi for the assessment year 2017-18.

2. The only effective ground raised in the appeal of the assessee for our consideration as to whether the Id. CIT(A) is justified in rejecting the

claim of deduction under section 80P(2)(e) of the Income Tax Act, 1961 [“Act” in short] in the facts and circumstances of the case.

3. At the outset, we note that the assessment was completed under section 144 of the Act by determining the income of the assessee at ₹.1,90,43,852/- after allowing the deduction under section 80P(2)(d) and under section 80P(2)(c) of the Act of ₹.29,38,965/- against the claim of deduction under section 80P of the Act of ₹.2,19,82,817/-.

4. On perusal of the appellate order, we note that before the Id. CIT(A), the assessee made a fresh claim of deduction under section 80P(2)(e) of the Act. The Id. CIT(A) sought for remand report from the Assessing Officer against the fresh claim of the assessee. After considering the remand report as well as reply of the assessee against the remand report, the Id. CIT(A) rejected the claim of the assessee towards deduction claimed under section 80P(2)(e) of the Act on the ground that the assessee did not produce any evidence of having godown/warehouse to let out and has not furnished any contract/ agreement with the State Government to prove the claim.

5. The Id. AR, Shri S. Sridhar, Advocate submits that admittedly, the assessee is a cooperative society engaged in the activity of wholesale

supplies to PDS outlets in Tiruvannamalai District and also runs PDS outlets, provision stores, and medical stores. By referring to the notification in English translation issued by the Additional Registrar (Consumer Activities), as reproduced in the appellate order at page 25 of the impugned order, the Id. AR submits that the margin for the essential commodities such as rice, sugar, wheat, kerosene, palm oil & lentils procured from the cooperative societies were increased to an extent of 75% and, infact, after procurement and before supply to the PDS outlets required to be stored in godown, but however, made claim originally under section 80P(2)(a)(i) of the Act inadvertently. The assessee made claim under section 80P(2)(e) of the Act before the Id. CIT(A), which was rejected for want of details. The Id. AR requested to remand the matter to the file of the Assessing Officer as the assessee is ready to furnish the details as may be required by the Assessing Officer and to prosecute its case if the Tribunal afford an opportunity.

6. The Id. DR Shri R.V. Aroon Prasad, Addl. CIT relied on the order passed by the Id. CIT(A).

7. Having heard both the parties and on perusal of the order passed by the Id. CIT(A), as discussed above, the assessee made a fresh claim of deduction under section 80P(2)(e) of the Act, which was rejected by

the Id. CIT(A) on the ground that the assessee did not produce any evidence of having godown/warehouse to let out and has not furnished any contract/agreement with the State Government to prove the claim. Since the Id. AR prayed to afford an opportunity to furnish complete details as may be required by the Assessing Officer to prosecute its case, we deem it proper in the interest of justice to remand the matter back to the file of the Assessing Officer for his consideration afresh. The assessee is at liberty to file evidence in support of his claim and the Assessing Officer shall conduct the assessment proceedings *de novo*. Thus, grounds raised by the assessee are allowed for statistical purposes.

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

Order pronounced on 26th July, 2024 at Chennai.

Sd/-
(S.R. RAGHUNATHA)
ACCOUNTANT MEMBER

Sd/-
(S.S. VISWANETHRA RAVI)
JUDICIAL MEMBER

Chennai, Dated, 26.07.2024

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant,
2. प्रत्यर्थी/ Respondent,
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR &
5. गार्ड फाईल/GF.