

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH, CHENNAI**

श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री एस. आर. रघुनाथा, लेखा सदस्य के समक्ष
**BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI S. R. RAGHUNATHA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.:2570/Chny/2024

निर्धारण वर्ष / Assessment Year: 2020-21

The Chandrasekarapuram Co Operative Wholesale Stores Limited, 8/17, Singaram Street, Kumbakonam, Thanjavur – 612 001.	vs.	ITO, Ward 1, Kumbakonam.
[PAN:AAALT-0356-N] (अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri. N. Arjun Raj, Advocate

प्रत्यर्थी की ओर से/Respondent by : Ms. N. Anitha, Addl. C.I.T.

सुनवाई की तारीख/Date of Hearing : 22.07.2025

घोषणा की तारीख/Date of Pronouncement : 06.10.2025

आदेश / O R D E R

PER S. R. RAGHUNATHA, AM :

The present appeal is filed against the order of the Ld.CIT(Appeals)
/ First Appellate Authority dated 29.02.2024 in DIN & Order No.
ITBA/NFAC/S/250/2023-24/1061754096(1).

2. At the outset, we find that there is a delay of 161 days in appeal filed by the assessee, for which the assessee has filed affidavit along with petition for condonation of delay in filing the appeal stating the reasons for delay, wherein, it is submitted that the delay in filing the appeal was due to the circumstances beyond the control of the assessee. Hence, there was a delay in filing the appeal by the assessee. After considering the Affidavit filed by the assessee and also hearing both the parties, we find that there is a reasonable cause for the assessee in not filing appeal on or before the due date prescribed under the law and thus, in the interests of justice, we condone delay in filing of appeal and admit the appeal filed by the assessee for adjudication.

3. The only solitary ground raised by the assessee in their appeal is denial of the deduction claimed u/s.80P of the Act by the Id.CIT(A).

4. The brief facts of the case is that the assessee is a Co-operative Society owned by the Tamilnadu State Government. The Stores is Servicing 426 Ration shops situated in Kumbakonam, Thiruvaidaimaruthur and Papanasam Taluks by distributing essential commodities. The assessee Co-operative Society further runs five "Amma Marunthagam" medical shops in Kumbakonam for selling medicines at the discounted price as well as supplies necessary goods to government departments including Courts, Temples, Jails, College Hostels, School Hostels, Transport Corporation.

5. Furthermore, the Cooperative Store is rendering service to about 4,00,000 ration card holders under public distribution system and about one lakhs patient under discounted price scheme for medicines.

6. The return of income was filed for the Assessment Year 2020-21 by the assessee by claiming deduction u/s.80P of the Act to the extent of Rs.62,52,888/-, which comprises of

- (a) deduction in terms of Section 80(P)(2)(c)(1) to the tune of Rs.1,00,000/-,
- (b) Deduction under Section 80(P) (d) to the tune of Rs. 4,500/- & Rs. 36,70,483/-
- (c) Rs. 24,75,931/- as profit attributable to member business.

7. The said return of income filed was selected for scrutiny by way of issuance of notice u/s.143(2) of the Act dated 29.06.2021 through CASS to examine the issue of “Deduction from total income under chapter VI-A (Business ITR)”

8. The assessee had filed its replies along with the documentary evidence in support of the return of income filed for the assessment year under consideration and thereafter the scrutiny assessment order was passed on 28.09.2022 in disallowing the entire claim of deduction u/s.80P of the Act forming part of the return of income filed for the assessment year under consideration to the extent of Rs.62,52,888/-.

9. The assessee had thereafter challenged the said order of scrutiny assessment before the First Appellate Authority and the Id.CIT(A) at para 6.3 of the order of the impugned appellate order had recorded that the assessee cooperative credit society was eligible for deduction u/s.80P(2)(d) for income received from deposit/savings account kept with other cooperative banks. However, while concluding the Ld.CIT(A) had held that the said claim of deduction would not be available for interest received from deposit/savings account with scheduled commercial banks.

10. The Ld.CIT(A) had placed reliance upon the decision co-ordinate bench University Agricultural v. ACIT ITA No. 319/Bang/2023 dated 18.05.2023 as well as the decision rendered in the case of M/s.Uppinangady Catholic Multipurpose Coop Society v. ITO Ward-1, Puttur, ITA No. 292/Bang/2023 dated 0.7.06.2023.

11. The Id. CIT(A) while concluding, had directed the AO to allow the assessee's claim of deduction u/s.80P of the Act forming part of the return of income filed for the assessment year under consideration. However, the Ld.CIT(A) had held that said claim of deduction would not be available for the assessee for the sums / income earned from running of activity in the nature of providing credit to Associate / nominal members and further the claim of deduction would not be allowed for the sums received in the nature of interest from accounts maintained and operated with other cooperative societies/ banks which are governed by RBI Banking Regulation Act.

12. Aggrieved by above findings / observations of the Ld. CIT(A), the present appeal of the assessee came before us.

13. We have heard the rival contentions perused the material available on record and gone through the orders of the authorities. The Ld. AR during the course of hearing had brought to our notice that the AO had passed the order giving effect to the directions of the First Appellate Authority, wherein the AO had allowed the claim to the extent of Rs.36,72,457/-, i.e. the component of the deduction u/s.80P of the Act which was directed by the First Appellate Authority for verification.

14. The Id.DR of the revenue placed reliance upon the order of the First Appellate Authority and pleaded for confirming the order of the Ld. CIT(Appeals) as well as the Assessing Officer.

15. We find that since the AO had allowed the claim of deduction u/s.80P of the Act in pursuant to the directions of the Ld.CIT(A), which directions is being challenged in the present appeal, the relevant grounds of appeal raised by the assessee are accordingly reckoned as academic.

16. With regard to the claim of deduction u/s.80P of the Act to the tune of Rs.24,75,931/- as profit attributable to member business, we find that the AO had arbitrarily denied the deduction u/s.80P of the Act without giving concrete reasons. We also find that the Ld.CIT(A) had given cryptic findings with respect

to the claim of deduction u/s.80P of the Act while passing the impugned order. The Ld.AR during the course of hearing had brought to our attention that the assessment orders passed in assessee's own case for the earlier assessment year(s): 2017-18 & 2018-19, wherein the return of income filed claiming deduction u/s.80P of the Act for the said assessment years were accepted in toto by passing scrutiny assessment orders in making no addition / disallowance towards such claim of deduction u/s.80P of the Act. We also find that there is no change in activity carried out by the assessee for the assessment year under consideration vis a vis in the earlier assessment years.

17. We find that the action of the AO in arbitrarily disallowing the claim of deduction u/s.80P of the Act on the disputed sums received in the nature of profit attributable to member business in the absence of any material change in the provisions of law nor in the change in the nature of activities carried out by the assessee. Hence, by following the rule of consistency, we are inclined to accept the arguments of the assessee.

18. The Hon'ble Supreme Court in the case of Bharat Sanchar Nigam Ltd. v. Union of India, reported in [2006] 3 SCC 1, had held as follows:

"20. The decisions cited have uniformly held that res judicata does not apply in matters pertaining to tax for different assessment years because res judicata applies to debar Courts from entertaining issues on the same cause of action whereas the cause of action for each assessment year is distinct. The Courts will generally adopt an earlier pronouncement of the law or a conclusion of fact unless there is a new ground urged or a material change in the factual position. The reason why Courts have held parties to the opinion expressed in a decision in one assessment year to the same

opinion in a subsequent year is not because of any principle of res judicata but because of the theory of precedent for the precedential value of the earlier pronouncement. Where facts and law in a subsequent assessment year are the same, no authority whether quasi-judicial or judicial can generally be permitted to take a different view.”

19. In the present facts and circumstances of the case, we respectfully following the decision of the Apex Court and in view of the fact of the earlier return(s) of income filed by the assessee being accepted by the AO in toto, the disallowance made on the sums received in the nature of profit attributable to member business, claimed as deduction u/s.80P of the Act is hereby deleted by following the principles of consistency as well as principles of judicial discipline.

20. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 06th October, 2025 at Chennai.

Sd/-

(मनु कुमार गिरि)
(MANU KUMAR GIRI)

न्यायिक सदस्य/**Judicial Member**

Sd/-

(एस. आर. रघुनाथा)
(S. R. RAGHUNATHA)

लेखासदस्य/**Accountant Member**

चेन्नई/Chennai,

दिनांक/Dated, the 06th October, 2025

SP

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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