

THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD “C” BENCH

**Before Shri Sanjay Garg, Judicial Member
And Ms. Annapurna Gupta , Accountant Member**

ITA No. 1608 /Ahd/2024
Assessment Year 2018-19

<p>The Baria Taluka Prathmik Sixak Dhiran Sahakari Mandali, Panchmahal, Gujarat PAN: AABAB2714J (Appellant)</p>	<p>Vs</p>	<p>The ITO, Ward-1, Dahod, Burhani Society, Dahod (Respondent)</p>
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Assessee by: Ms. Vidhi V. Pandya, A.R.
Revenue by: Shri Rignesh Das, Sr. D.R.

Date of hearing : 05-03-2025
Date of pronouncement : 28-04-2025

આદેશ/ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been filed by the Assessee against the order passed by the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as “CIT(A)’] dated 09.07.2024 arising from the assessment order passed u/s. 147 of the Income Tax Act, 1961 (here-in-after referred to as “the Act”) relevant to the Assessment Year 2018-19.

2. The assessee has taken the following grounds of appeal:-

“1 Disallowance of provision of Rs. 10,32,000/- made for prize expense:

On facts and in the circumstances of the case and in law, the Ld. CIT(A) has grossly erred in making disallowance of provision for prize expense of Rs 10,32,000/- u/s 28 of the Income Tax Act, 1961

2. Disallowance of provision of Bad debts of Rs. 1,06,900/-

On facts and in the circumstances of the case and in law, the Ld. CIT(A) has grossly erred in disallowing bad debts provision of Rs. 1,06,990/- u/s 28 of the Income Tax Act, 1961

3. Initiating penalty proceeding u/s 270A of the Act

On facts and in the circumstances of the case and in law, the Ld. AO has grossly erred in initiating the proceedings for levy of penalty u/s. 270A of the Act when no such penalty is leviable. The proceedings initiated by the Ld. AO should be dropped as it is wrongly initiated.

The appellant craves leave to add, amend, alter, edit, delete, modify or change all or any grounds of appeal at the time of or before the hearing of the appeal.”

3. A perusal of the above reproduced grounds of the appeal would reveal that the assessee is aggrieved by the action of the CIT(A) in confirming the order of the Assessing Officer to the extent of disallowance of provision of Rs. 10,32,000/- on account of prize money distributed to the members and further a sum of Rs. 1,06,900/- on account of disallowance of bad debts. A perusal of the impugned assessment order would reveal that the assessee is a co-operative society and claimed deduction u/s. 80P of the Income Tax Act. The Assessing Officer disallowed the deduction u/s. 80P of the Income Tax Act in respect of income earned by the assessee and also made further disallowance of expenditure in respect of aforesaid prize money as well as provision for bad debts. The ld. CIT(A) in appeal held that the assessee was entitled to deduction u/s. 80P of the Income Tax Act. However, he upheld the action of the Assessing Officer in making disallowance for provision for prize money and bad debts. The assessee

thus has come in appeal before us agitating the action of the CIT(A) in confirming the disallowance in respect of the aforesaid prize money as well as provision for bad debts.

4. A perusal of the impugned order of the CIT(A) would reveal that the CIT(A) has already decided the issue of deduction u/s. 80P of the Income Tax Act in favour of the assessee. Once the assessee is held to be entitled to deduction u/s. 80P of the Income Tax Act, the income of the assessee will be exempt from taxation @ 100%. Even if, the Id. CIT(A) has upheld the order of the A.O. relating to the disallowance of provision of prize money and bad debts, the result would be that it will increase the income of the assessee, which otherwise, is eligible for deduction u/s. 80P of the Act. Under the circumstances, the assessee is not left with any grievance/cause of action to file the present appeal. The said appeal is therefore dismissed. However, subject to the observation that any increase in income of assessee on account of aforesaid disallowance will not affect the claim of the assessee to claim deduction u/s. 80P of the Income Tax Act.

5. With the above observations, the appeal of the assessee stands dismissed.

Order pronounced in the open court on 28-04-2025

Sd/-
(Annapurna Gupta)
Accountant Member
Ahmedabad : Dated 28/04/2025

Sd/-
(Sanjay Garg)
Judicial Member

I.T.A No. 1608/Ahd/2024

The Baria Taluka Prathmik Sixak Dhiran Sahakari Mandali, A.Y. 2018-19

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद