

IN THE INCOME TAX APPELLATE TRIBUNAL  
“C” BENCH : BANGALORE

BEFORE SHRI SUNIL KUMAR YADAV, JUDICIAL MEMBER  
AND SHRI S. JAYARAMAN, ACCOUNTANT MEMBER

ITA Nos.1407 & 1408/Bang/2016
Assessment years : 2012-13 & 2013-14

The Deputy Commissioner of Income Tax, Central Circle 2(2), Bangalore.	Vs.	Sri Biluru Gurubasava Sahakari Pattin Sangh Niyamit, No.112/5, Nara Building, Adat Bazar, Bagalkot – 587 101. <b>PAN: AABAS 7016A</b>
APPELLANT		RESPONDENT

Appellant by	:	Shri M.K. Biju, Jt.CIT(DR)(ITAT-3), Bengaluru
Respondent by	:	Shri S. Ramasubramanian, CA

Date of hearing	:	18.04.2017
Date of Pronouncement	:	21.04.2017

**ORDER**

*Per Sunil Kumar Yadav, Judicial Member*

These are appeals preferred by the revenue against the order of  
CIT(Appeals) *inter alia* on the following grounds:-

“1. Whether in law and on facts the CIT(A) was justified in not appreciating the fact that the activity of the assessee was covered by Explanation to section 80P(4) of the Income-tax Act, 1961?

2. Whether on the facts and in the circumstances of the case and in law, the CIT(A) was justified in law in holding that

the assessee-society is entitled to deduction under section 80P(2)(a)(i) of the Income-tax Act despite the fact that the assessee-society is mainly involved in extending credit facilities to its members which is in the nature of banking activity, falling within the ambit of clause (vii) of subsection 24 of section 2 of the Act, introduced wef 01/04/2017?

3. Any other ground that may be taken up at the time of hearing.”

2. During the course of hearing, the Id. counsel for the assessee invited our attention that the CIT(Appeals) has decided the appeal in favour of the assessee following its order as well as the order of Tribunal in which it was held that assessee is entitled for deduction u/s. 80P(2)(a)(i) of the Act. It was further contended that the view taken by the Tribunal was also approved by the Hon'ble jurisdictional High Court. Copy of the judgment of the Hon'ble jurisdictional High Court reported at 369 ITR 86 in assessee's case is placed on record.

3. The Id. DR simply relied upon the order of AO.

4. Having carefully examined the order of lower authorities and the judgments referred to by the parties, we are of the view that the impugned issue is squarely covered by the earlier order of the Tribunal and the Hon'ble High Court. Since the CIT(Appeals) has decided the issue following its earlier order and order of the Tribunal, we find no infirmity therein. Accordingly, we confirm his order.

5. In the result, both the appeals of revenue stand dismissed.

Pronounced in the open court on this 21<sup>st</sup> day of April, 2017.

Sd/-

( S. JAYARAMAN )  
Accountant Member

Sd/-

(SUNIL KUMAR YADAV )  
Judicial Member

Bangalore,  
Dated, the 21<sup>st</sup> April, 2017.

/ Desai Smurthy /

Copy to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.
6. Guard file

By order

Assistant Registrar,  
ITAT, Bangalore.