

IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH "SMC", PUNE

BEFORE SHRI R.S. SYAL, VICE PRESIDENT

आयकर अपील सं. / ITA No. 280/PUN/2019
निर्धारण वर्ष / Assessment Year : 2014-15

Nashik District Secondary
Teachers Co-op. Credit Society
Ltd.,
"Bhagyashree" Varti Colony,
Behind Zilha Parishad,
Nashik 422 002
PAN : AAAAN4668C

Vs. ITO, Ward-1(2),
Nashik

(Appellant)

(Respondent)

Appellant by
Respondent by

Shri Pramod Shingte
Shri V.K. Singh

Date of hearing 02-01-2020
Date of pronouncement 03-01-2020

आदेश / ORDER

PER R.S.SYAL, VP :

This appeal by the assessee arises out of the order passed by the CIT(A)-1, Nashik on 12-12-2018 in relation to the assessment year 2014-15.

2. The only issue raised in this appeal is against the confirmation of disallowance of deduction u/s.80P on interest earned from staff loan to the tune of Rs.2,65,702/-.

3. Briefly stated, the facts of the case are that the assessee is a Co-operative Society engaged in the business of providing credit facilities to its members. The Assessing Officer (AO) observed that the assessee had shown receipt of Rs.6,33,839/- from loans given to its employees. He reduced proportionate expenses and worked out the net amount at Rs.2,65,702/-. By allowing deduction u/s.80P(2)(c) at Rs.50,000/-, the AO made disallowance at Rs.2,15,702/-, which came to be sustained in the first appeal.

4. I have heard both the sides and perused the relevant material on record. It is seen as an admitted position that the assessee is engaged in the business of providing credit facilities to its members. Section 80P(2)(a) provides that in the case of Co-operative society engaged in carrying on the business of banking or providing credit facilities to its members, the whole of the amount of profits and gains of business attributable to any one or more of such activities shall be eligible for deduction. The Id. AR submitted that the staff members to whom the advances were made, are also the members and further no disallowance was ever made in the

past on such interest received from the staff members. The rule of consistency comes into play which necessitates the allowing of claim u/s.80P on such interest income. I, therefore, direct to delete the disallowance made by the Id. CIT(A).

5. In the result, the appeal is allowed.

Order pronounced in the Open Court on 03rd January, 2020.

Sd/-
(R.S.SYAL)
उपाध्यक्ष/ VICE PRESIDENT

पुणे Pune; दिनांक Dated : 03rd January, 2020
सतीश

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order is forwarded to :

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. आयकर आयुक्त(अपील) /
The CIT (Appeals)-1, Nashik
4. The Pr. CIT-1, Nashik
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, पुणे "SMC" /
DR 'SMC', ITAT, Pune;
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune

		Date	
1.	Draft dictated on	02-01-2020	Sr.PS
2.	Draft placed before author	02-01-2020	Sr.PS
3.	Draft proposed & placed before the second member	--	JM
4.	Draft discussed/approved by Second Member.	--	JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

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