

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**INDORE SMC BENCH, INDORE**

**BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER**

**ITA No.746/Ind/2019**

**A.Y. 2015-16**

Sindh Punjab Mercantile Credit Sahkarita Ltd., Indore  
PAN – AABAS5085R :: Appellant

Vs

ACIT-5(1), Indore :: Respondent

Assessee by	S/Shri Anil Kamal Garg & Arpit Gour, CAs
Respondent by	Shri R.P. Mourya, Sr. DR
Date of hearing	03.03.2020
Date of pronouncement	03 .06.2020

**O R D E R**

This appeal is filed by the assessee against the order of Id. CIT(A)-II, Indore dated 25.04.2019 pertaining to Assessment year 2015-16. The assessee has raised following grounds of appeal:

*“Grounds of Income-Tax appeal before the Hon'ble Income-Tax Appellate Tribunal, Indore Bench, Indore, against the Appellate Order passed under s. 250/143(3) of the Income-Tax Act, 1961 by the learned Commissioner of Income-Tax (Appeals)-II, Indore, pertaining to the A.Y. 2015-16 in response to the appeal filed against the Assessment Order under s.143(3) of the Act, passed by the learned Assistant Commissioner of Income-Tax, 5(1), Indore.*

*1. That, the learned CIT(A) grossly erred, both on facts and in law, in confirming the addition of Rs.2,40,338/- made by the AO in the appellant's income by holding that the interest income earned by the appellant credit society on Saving Bank and*

*F .D.R. with nationalized banks was not falling under the provisions of section 80P(2)( d) and therefore, in holding that the entire interest income earned by the appellant from such bank was liable for taxation under the head 'Income from Other Sources' .*

*2. That, without prejudice to the above, the learned CIT (A) grossly erred in not considering and appreciating the material fact that the appellant Society had made deposits with nationalized banks during the course of, and as also for the purpose of carrying out its business of providing credit facilities to its members.*

*3. That, without prejudice to the above, the learned CIT(A) grossly erred in not considering and appreciating the material fact that in the earlier assessment years the claim of the appellant as regard to deduction under s. 80P(2)(a)(i) qua the interest income on deposits with bank was duly allowed even in the assessments framed under s. 143(3) of the Act and therefore, in absence of any change in the facts and circumstances of the case, there was no reason for taking a different view for the assessment year under consideration.*

*4. That, the appellant further craves leave to add, alter and/or amend any of the foregoing grounds of appeal as and when considered necessary. ”*

2. At the outset of hearing, Ld. counsel for the assessee submitted that the learned CIT(A) was not justified in confirming the addition of Rs.2,40,338/- made by the AO in the appellant's income by holding that the interest income earned by the appellant credit society on Saving Bank and F .D.R. with nationalized banks was not falling under the provisions of section 80P(2)( d) and the entire interest income earned by the appellant from such bank was liable for taxation under the head 'Income from Other Sources'. This issue has been dealt with by this very

bench in the case of *M.P. Police Sakh Sahkarita Maryadit order dated 17.12.2019 (ITANo.422/Ind/2017 & ITANo.649/Ind/2019* wherein the AO was directed to allow the deduction claimed u/s 80P(2) of the Act.

3. On the other hand, Ld. Sr. DR relied upon the orders of the revenue authorities but could not controvert the submission made by the ld. counsel for the assessee by bringing any contrary material on records.

4. I have heard the rival submissions, perused the materials available on records. I have gone through the decision of division Bench of I.T.A.T., Indore in the case of *M.P. Police Sakh Sahkarita Maryadit order dated 17.12.2019(supra)* wherein on the similar set of facts the issue was decided in favour of the assessee. I, therefore, in the given facts and circumstances of the case and following the decision of the Tribunal rendered in the case of *M.P. Police Sakh Sahkarita Maryadit order dated 17.12.2019(supra)* the opinion that in the given set of facts of the instant appeal the learned CIT(A) was not justified in confirming the addition of Rs.2,40,338/- made by the AO. Accordingly, I direct the AO to delete the addition.

5. In result, appeal filed by the assessee is allowed.

Order was pronounced in the open court on 03 .06.2020.

Sd/-

**(KUL BHARAT)  
JUDICIAL MEMBER**

**Dated : 03 .06.2020**

***Patel/PS***

**Copy to:**

**Appellant/Respondent/Pr.CIT(A)/Pr.CIT/DR, Indore**