

**आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ 'B' अहमदाबाद ।**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“B” BENCH, AHMEDABAD**

(Through Virtual Court)

**BEFORE SHRI RAJPAL YADAV, VICE PRESIDENT AND**  
**SHRI PRADIP KUMAR KEDIA, ACCOUNTANT MEMBER**

आयकर अपील सं./I.T.A. No. 1956/Ahd/2018

(निर्धारण वर्ष / Assessment Year : 2015-16)

<b>Sahyog Co.Op. Credit Society Ltd.</b> Sahyog Bhavan, Virpur Road, 388255 (Dist. Mahisagar)	<b>बनाम/</b> Vs.	<b>Asstt. Commissioner of Income Tax</b> Panchmahal Circle, Balasinor, Godhra
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No. : AABAS0346M		
(अपीलार्थी /Appellant)	..	(प्रत्यर्थी / Respondent)

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आयकर अपील सं./I.T.A. No. 1957/Ahd/2018

(निर्धारण वर्ष / Assessment Year : 2015-16)

<b>Balasinor Vikas Co.Op. Credit Society Ltd.</b> Rajpuri Darwaja, Balasinor 388255 (Dist. Mahisagar)	<b>बनाम/</b> Vs.	<b>Asstt. Commissioner of Income Tax</b> Panchmahal Circle, Godhra (Dist. Panchmahal)
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No. : AAAAB4748H		
(अपीलार्थी /Appellant)	..	(प्रत्यर्थी / Respondent)

अपीलार्थी ओर से /Appellant by :	Shri Sulabh Padshah, A.R.
प्रत्यर्थी की ओर से / Respondent by :	Shri James Kurian, Sr.DR

सुनवाई की तारीख / Date of Hearing	27/11/2020
घोषणा की तारीख /Date of Pronouncement	04/01/2021

## आदेश/ORDER

### PER PRADIP KUMAR KEDIA - AM:

Both captioned appeals have been filed at the instance of the assessee against the orders of the Commissioner of Income Tax (Appeals)-4, Vadodara ('CIT(A)' in short), dated 12.06.2018 arising in the assessment orders dated 30.08.2017 passed by the Assessing Officer (AO) under s. 143(3) of the Income Tax Act, 1961 (the Act) concerning AY 2015-16 in both cases.

2. We shall first take up assessee's appeal in ITA No. 1956/Ahd/2018 concerning AY 2015-16.

### ITA No. 1956/Ahd/2018 - AY 2015-16 (in case of Sahyog Co.Op. Credit Society Ltd.)

3. The grounds of appeal as revised by the assessee reads as under:

"1. The Ld CIT(A) has erred in taxing interest income received of Rs.17,02,417/- u/s 56 of the Act despite of the fact that the same is exempt u/s 80P(2)(d) of the Act. It is submitted that the interest income earned of Rs 17,02,417/- on investment made with Co. Op Bank is clearly eligible for deduction u/s 80P(2)(d) of the Income Tax Act, 1961. On the facts & circumstances of the case, the addition made on account of interest income received of Rs.17,02,417/- from K.D.C.C. Bank be deleted by allowing the same as deduction u/s 80P(2)(d) of the Act. The same be held accordingly."

4. The grievance of the assessee concerns eligibility of deduction claimed under s.80P(2)(d) of the Act on account of interest income received from investment made with co-operative banks. It was submitted on behalf of the assessee that the issue is squarely covered in favour of the assessee in its own case ITA No.1132/Ahd/2018 for AY 2014-15 wherein the co-ordinate bench

has held in favour of assessee by making reference to the decision of the Hon'ble Gujarat High Court in the case of *CIT vs. Sabarkantha District co-operative Milk Producers Union Ltd. Tax Appeal No. 473 of 2014*. It was pointed out on behalf of the assessee that K.D.C.C. Bank is a co-operative bank registered under Co-operative Society Act and investment made in this bank and interest earned. This investment is eligible for deduction under s.80P(2)(d) of the Act.

5. In the given facts as noted above, the claim of the assessee under s.80P(2)(d) of the Act appears to be in consonance with the plain language of the Act. We thus find merit in the claim of the assessee for deduction under s.80P(2)(d) of the Act in respect of income earned from K.D.C.C. Bank.

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

**ITA No. 1957/Ahd/2018 - AY 2015-16 (in case of Balasinor Vikas Co.Op. Credit Society Ltd.)**

7. The grounds of appeal as revised by the assessee reads as under:

*“1. The Ld CIT(A) has erred in taxing interest income received of Rs.11,79,425/- u/s 56 of the Act despite of the fact that the same is exempt u/s 80P(2)(d) of the Act. It is submitted that the interest income earned of Rs 11,79,425/- on investment made with Co. Op Bank is clearly eligible for deduction u/s 80P(2)(d) of the Income Tax Act, 1961. On the facts & circumstances of the case, the addition made on account of interest income received of Rs.11,79,425/- from Kaira District Central Co. Op. bank be deleted by allowing the same as deduction u/s 80P(2)(d) of the Act. The same be held accordingly.”*

8. The issue is identical and the facts are similar. Therefore, in consonance with the view taken in *ITA No. 1956/Ahd/2018 (supra)*,

the interest income earned on deposits made with cooperative bank is eligible for deduction under s.80P(2)(d) of the Act.

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

10. In the combined result, appeals of both the assesseees are allowed.

**This Order pronounced on 04/01/2021**

Sd/-  
(RAJPAL YADAV)  
VICE PRESIDENT

Ahmedabad: Dated 04/01/2021

Sd/-  
(PRADIP KUMAR KEDIA)  
ACCOUNTANT MEMBER

True Copy

*S. K. SINHA*

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

1. राजस्व / Revenue
2. आवेदक / Assessee
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त- अपील / CIT (A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद /  
DR, ITAT, Ahmedabad
6. गार्ड फाइल / Guard file.

By order/आदेश से,

उप/सहायक पंजीकार  
आयकर अपीलीय अधिकरण, अहमदाबाद ।