

**IN THE INCOME TAX APPELLATE TRIBUNAL  
PANAJI BENCH, PANAJI – VIRTUAL COURT**

**BEFORE SHRI INTURI RAMA RAO, AM  
AND SHRI S. S. VISWANETHRA RAVI, JM**

आयकर अपील सं. / ITA No.84/PAN/2018  
निर्धारण वर्ष / Assessment Year : 2012-13

The Ugar Sugar Works Kamgar &  
Dr. Shirgaokar Shaikashanik Trust  
Nokar Co-op Credit Society Ltd.,  
Ugar Khurd, Tal: Athani,  
Dist: Belgaum- 591316.

PAN : AAAAT2607F

.....अपीलार्थी / Appellant

बनाम / V/s.

ITO, Ward- 1(3),  
Belgaum.

.....प्रत्यर्थी / Respondent

Assessee by : Shri Pramod Vaidya  
Revenue by : Shri Sourabh Nayak

सुनवाई की तारीख / Date of Hearing : 12.11.2021  
घोषणा की तारीख / Date of Pronouncement : 18.11.2021

**आदेश / ORDER**

**PER INTURI RAMA RAO, AM:**

This is an appeal filed by the assessee directed against the order of Id. Commissioner of Income Tax (Appeals), Gulbarga ('CIT(A)' for short) dated 29.12.2017 for the assessment year 2012-13.

2. Briefly, the facts of the case are that the appellant is a cooperative society registered under the Karnataka State Co-operative Society Act, 1959 with the object of accepting deposits from its members and providing credit facilities to its members. The return of income for the assessment year 2012-13 was filed on 25.09.2012 declaring total income of Rs.4,03,384/- after claiming exemption u/s 80P(2)(a)(i) of the Income Tax Act, 1961 ('the Act') of Rs.4,09,725/-. Against the said return of income, the assessment was completed by the Income Tax Officer, Ward-1(3), Belgaum ('the Assessing

Officer') vide order dated 27.08.2014 passed u/s 143(3) of the Act at a total income of Rs.8,82,947/-. While doing so, the Assessing Officer denied the claim of exemption u/s 80P(2)(a)(i) of the Act holding it to be cooperative bank not cooperative society.

3. Being aggrieved by the above action of the Assessing Officer, an appeal was preferred before the ld. CIT(A), who vide impugned order confirmed the action of the Assessing Officer.

4. Being aggrieved by the above decision of the ld. CIT(A), the assessee is in appeal before us in the present appeal.

5. The ld. AR submits that the appellant is not a cooperative bank but a cooperative society and eligible for deduction u/s 80P(2)(a)(i) of the Act.

6. On the other hand, ld. Sr. DR placed reliance on the orders of the lower authorities.

7. We heard the rival submissions and perused the material on record. The only issue raised by the assessee in the grounds of appeal relates to whether the appellant can be termed as a cooperative society or cooperative bank. The undisputed position is that the appellant is registered a cooperative society under the Karnataka State Co-operative Society Act, 1959 and does not enjoy any licence from Reserve Bank of India to carry on the business of banking. It is a trite law that the assessing authority cannot go behind the registration certificate granted under the Cooperative Societies Act as held by the Hon'ble

Supreme Court in the case of The Mavilayi Service Cooperative Bank Ltd. & ors. vs. CIT, 431 ITR 01 (SC).

8. So long as the appellant society had not obtained any licence from Reserve Bank of India for the purpose of banking business, it cannot be termed as cooperative bank. In the circumstances, we hold that the appellant status continued to be a cooperative society though interest income as received from its members. Thus, appellant society qualifies for exemption u/s 80P(2)(a)(i) of the Act. Thus, this issue raised by the assessee in grounds of appeal stands allowed.

9. In the result, the appeal filed by the assessee stands allowed.

Order pronounced on this 18<sup>th</sup> day of November, 2021.

**Sd/-**

**(S. S. VISWANETHRA RAVI)**  
न्यायिक सदस्य/**JUDICIAL MEMBER**

**Sd/-**

**(INTURI RAMA RAO)**  
लेखा सदस्य/**ACCOUNTANT MEMBER**

पुणे / Pune; दिनांक / Dated : 18<sup>th</sup> November, 2021.

Sujeet

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT(A), Gulbarga
4. The Pr. CIT, Belagavi.
5. DR, ITAT, Panaji.
6. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

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