

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

BEFORE SHRI PRASHANT MAHARSHI (ACCOUNTANT MEMBER) &  
KAVITHA RAJAGOPAL (JUDICIAL MEMBER)

ITA No.2390/Mum/2021 - 2014-15  
ITA No.2391/Mum/2021 - 2015-16  
ITA No.2392/Mum/2021 - 2016-17

Sonal Classic C HS Ltd G/1-2/B, Sonal Classic CHS Ltd Bharadawadi Path Andheri (W), Mumbai-400 058 <b>PAN : AAABS1764K</b>	vs	Commissioner of Income-tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi
<b>APPELLANT</b>		<b>RESPONDENT</b>

Assessee represented by	Shri Abhay Baxi
Department represented by	Shri Himanshu Sharma

Date of hearing	24/05/2022
Date of pronouncement	22/07/2022

**ORDER**

**Per Kavitha Rajagopal (JM):**

This appeal is filed by the Assessee as against the order of Ld.CIT(A), National Faceless Appeal Centre (NFAC), Delhi, all dated 20/10/2021 for the assessment years 2014-15, 2015-16 & 2018-19.

2. The solitary issue in all these appeals is the disallowance under section 80P(2)(d) of the I.T. Act, 1961 to the tune of Rs.168,344/-, Rs.2,36,685/- and Rs.3,41,970/- for the assessment years 2014-15, 2015-16 & 2018-19, respectively. As these appeals involve identical facts, we are passing a consolidated order taking ITA No.2390/Mum/2021 as the lead case.

3. Briefly stated, the facts are that the assessee is a co-operative housing society, formed and registered under the Maharashtra Co-operative Societies' Act, 1960. Object of this society is to run day to day activities of the society for the benefit of its members and do all the necessary things to maintain the building and all services for the benefit of members. During the assessment years under consideration, the assessee has earned interest income of Rs.2,36,685/- on the fixed deposit and the savings bank account maintained with Mumbai District Central Co-operative Bank Ltd and Shamrao Vithal Co-operative Bank Ltd. The assessee claimed deduction under section 80P(2)(d) on this amount of interest received by it. In an assessment made under section 143(1) of the I.T. Act, 1961, the Centralised Processing Centre (CPC ) made an adjustment of Rs.1,68,340/- by denying the deduction claimed under section 80P(2)(d) of the Act. On an appeal, the Commissioner of Income-tax (Appeals) (National Faceless Appeal Centre (NFAC) upheld the action of the CPC by holding that the copy of return with schedules was not submitted; therefore, in the absence of the same, it could not be refuted that the ground taken by CPC for disallowing deduction under section 80P was incorrect and the AOs rectification order holding that there was no infirmity in the CPC order was incorrect. Further aggrieved, the assessee is in appeal before the Tribunal.

4. The Ld.AR appearing for the assessee before submitted that the assessing officer has disallowed the claim of the assessee on the ground that investments in co-operative society includes only co-operative housing societies and not applicable to co-operative banks whereas the assessee, in the present case has earned interest from co-operative banks. The assessing officer has rejected the rectification application of the assessee filed against the order under section 143(1) of the Act passed by the CPC, Bangalore with

regard to the claim of deduction under section 80P(2)(d). The Assessing Officer has stated that there is no mistake apparent on the order of the CPC, Bangalore. The assessing officer rejected the rectification application on the ground that deduction under section 80P(2)(d) requires verification of the claim which is beyond the scope of section 154 of the Act. The Ld.CIT(A) upheld the order of the CPC on the ground that the assessee had failed to file the requisite schedules, as the assessee had filed only the copy of ITR acknowledgement (one page document) and copy of return with schedules was not submitted. The Ld.AR further contended that the required details were filed before the Ld.CIT(A), which were overlooked by him while deciding the appeal.

5. The Ld.DR, on the other hand, submitted that there was no mistake apparent on record and that the assessee was not entitled to the claim of deduction under section 80P(2)(d). He relied upon the orders of the authorities below.

6. Having heard both the learned representatives and perused the materials on record, we are of the considered view that the assessee is a co-operative society which is entitled for deduction under section 80P(2)(d) being interest earned from deposits in a co-operative society. In the case of New Ideal Co-operative Housing Society Ltd ITA No.2681/Mum/2019 dated 03/02/2021 and also in the case of M/s Solitaire CHS Ltd vs Principal Commissioner of Income-tax in ITA No.3155/Mum/2019 dated 29/11/2019, the "G" Bench of this Tribunal, vide order dated November 29, 2019 held that the interest income earned by a cooperative society on its investments held with a co-operative bank would be eligible for claim of deduction under section 80P(2)(d) of the Act. In the case on hand, the CIT(A) has not disposed of the

appeals on merit citing reasons that the assessee has not furnished complete details of the ITR, we deem it appropriate to restore the matter to the file of the Ld.CIT(A) for deciding the appeal fresh after calling for the details required by him from the assessee and after giving due opportunity of being heard to the assessee. The assessee is directed to furnish all the details that may be required by the Ld.CIT(A).

7. In the result, appeal of the assessee is allowed, for statistical purpose.

**ITA Nos 2391 & 2392/Mum/2021:**

8. Since the facts and circumstances are identical to these appeals, hence, the decision appended above, shall apply mutatis mutandis to these two appeals also.

9. In the result, all the appeals are allowed, for statistical purpose.

Order pronounced in the open Court on 22<sup>nd</sup> July, 2022.

Sd/-

sd/-

<b>(PRASHANT MAHARSHI)</b>	<b>(KAVITHA RAJAGOPAL)</b>
<b>ACCOUNTANT MEMBER</b>	<b>JUDICIAL MEMBER</b>

Mumbai, Dated: 22/07/2022

Pavanan

**Copy of the Order forwarded to :**

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

//True Copy//

BY ORDER,

(Dy./Asstt. Registrar)  
**ITAT, Mumbai**

