

**IN THE INCOME TAX APPELLATE TRIBUNAL, 'E' BENCH
MUMBAI**

**BEFORE: SHRI VIKAS AWASTHY, JUDICIAL MEMBER
&
SHRI M.BALAGANESH, ACCOUNTANT MEMBER**

**ITA No.1146/Mum/2022
(Assessment Year : 2017-18)**

The Income Tax Officer- 26(2)(1) R.No.315, Kautilya Bhavan 3 rd Floor, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	Vs.	Ramaraja Kshatriya Co-op Credit Society Ltd., 04, Kaveri Complex Ground Floor, Kurla Pipeline Road, Prabhat Wadi, Sakinaka Andheri, Mumbai - 400072
PAN/GIR No.AAAAR9632A		
(Appellant)	..	(Respondent)

Assessee by	Shri Anil M Tupiwala
Revenue by	Ms. Agnes Thomas
Date of Hearing	02/08/2022
Date of Pronouncement	11/08/2022

आदेश / O R D E R

PER M. BALAGANESH (A.M.):

This appeal in ITA No.1146/Mum/2022 for A.Y.2017-18 arises out of the order by the Id. Commissioner of Income Tax (Appeals) National Faceless Appeal Centre (NFAC) in appeal No.CIT(A), Mumbai-38/10142/2019-20 dated 14/03/2022 (Id. CIT(A) in short) against the order of assessment passed u/s.143(3) of the Income Tax Act, 1961 (hereinafter referred to as Act) dated 09/09/2019 by the Id. Income Tax Officer Ward 26(2)(5), Mumbai (hereinafter referred to as Id. AO).

2. At the outset there is a delay in filing of appeal by the Revenue by five days. We find that the Revenue has duly explained the delay and accordingly, the same is hereby condoned and appeal of the Revenue is admitted for adjudication.

3. The only issue to be decided in this appeal is as to whether the Id. CIT(A) was justified in allowing deduction u/s.80P(2)(d) in respect of interest income earned on deposits from Co-operative bank in the facts and circumstances of the instant case.

4. We have heard rival submissions and perused the materials available on record. The assessee is a co-operative society and carrying on the business of banking for providing credit facilities to its members. It is not in dispute that the income earned by the assessee is eligible for deduction u/s. 80P of the Act. The Co-operative society is registered under the Maharashtra State Co-operative Societies Act, 1960 as credit resource society to carry out the activity of providing credit facilities to its members. The assessee is not registered under Banking Regulation Act, 1949 with Reserve Bank of India. Hence, the assessee is not a co-operative bank, accordingly, the exclusion provisions contained in Section 80P(4) of the Act shall not be applicable to assessee at all.

4.1. It is not in dispute that assessee had earned interest income from deposits kept with co-operative banks. The assessee claimed deduction for the same u/s. 80P(2)(d) of the Act. The Id. AO by applying the provisions of Section 80P(4) of the Act denied deduction to the assessee. On first appeal, the Id. CIT(A) had deleted the disallowance by placing reliance in the order of this Tribunal in assessee's own case for A.Yrs. 2014-15 and 2015-16 in ITA No.4896 and 4897/Mum/2019 respectively

dated 11/03/2021. We have perused the orders of this Tribunal dated 11/03/2021 which has been relied upon by the Id. CIT(A) and find that the issue in dispute is squarely covered in favour of the assessee. For the sake of brevity, the operative portion of the said judgement is not reproduced herein. Hence, we do not find any infirmity in the order of the Id. CIT(A) granting relief to the assessee. Accordingly, the ground raised by the Revenue is dismissed.

4. In the result, appeal of the Revenue is dismissed.

Order pronounced on 11/08/2022 by way of proper mentioning in the notice board.

Sd/-
(VIKAS AWASTHY)
JUDICIAL MEMBER

Sd/-
(M.BALAGANESH)
ACCOUNTANT MEMBER

Mumbai; Dated 11/08/2022
KARUNA, *sr.ps*

Copy of the Order forwarded to :

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

//True Copy//

BY ORDER,

(Sr. Private Secretary / Asstt. Registrar)
ITAT, Mumbai