

IN THE INCOME TAX APPELLATE TRIBUNAL
SMC BENCH, NAGPUR
(AT e-Court, PUNE)

BEFORE SHRI R.S. SYAL, VICE PRESIDENT

आयकर अपील सं. /ITA No.183/NAG/2021

निर्धारण वर्ष / Assessment Year : 2014-15

Utkranti Nagari Sahakari Patsanstha Maryadit, Post Jarud, Warud, Amravati – 444906, Maharashtra PAN : AAAAU3885G	Vs.	ITO, Ward-5, Amravati
Appellant		Respondent

Assessee by Shri Naresh Jakhotai
Revenue by Shri Kailash G. Kanojiya

Date of hearing 17-10--2022
Date of pronouncement 18-10-2022

आदेश / ORDER

PER R.S. SYAL, VP:

This appeal by the assessee arises out of the order dated 30-09-2021 passed by the National Faceless Appeal Centre (NFAC), Delhi u/s.250 of the Income-tax Act, 1961 (hereinafter also called 'the Act') in relation to the assessment year 2014-15.

2. The appeal is barred by 41 days. The assessee filed the appeal on 10-01-2022. Prima-facie, the delay period pertains to Covid-19 Pandemic and hence, covered by the judgment of Hon'ble Supreme Court in *Cognizance for Extension of Limitation, In re 438 ITR 296 (SC) read with judgment in Cognizance for*

Extension of Limitation, In re 432 ITR 206 (SC) dated 08-03-2021 and 421 ITR 314 where the Hon'ble Apex Court took a *suo motu* cognizance of the situation arising out of the challenges faced by the country on account of COVID-19 Virus and resultant difficulties that could be faced by the litigants across the country and accordingly extended the time limit for filing of the appeals. I, therefore, condone the delay in filing the instant appeal and admit the same for disposal on merits.

3. The assessee is aggrieved by the denial of deduction u/s.80P in respect of interest income amounting to Rs.6,13,359/- earned from term deposits kept with banks.

4. Tersely stated, the facts of the case are that the assessee showed interest received on term deposit investment of Rs.6,13,359/-. On being called upon as to why this amount should not be taxed treating the same as 'Income from other sources', the assessee did not submit any reply. Eventually, the AO, relying on the judgment of Hon'ble Supreme Court in the case of *Totagars Co-operative Sales Society Ltd. Vs. ITO, Karnataka 322 ITR 283 (SC)* disallowed the said interest income u/s.80P(2)(a)(i) of the

Act, which got countenanced at the first appellate authority level. Aggrieved thereby, the assessee has approached the Tribunal.

5. I have heard both the sides and gone through the relevant material on record. The issue raised in the extant appeal is no more *res integra* by virtue of series of orders passed by the Pune Tribunal. The Pune Benches of the Tribunal in *Sureshdada Jain Nagari Sahakari Patsanstha Maryadit Vs. The Pr.CIT (ITA No.713/PUN/2016)* decided the question of availability of deduction u/s 80P on interest income by noticing that the Pune Bench in an earlier case of *Shri Laxmi Narayan Nagari Sahakari Pat Sanstha Maryadit Vs. ITO (ITA No.604/PN/2014)* has allowed similar deduction. In the said case, the Tribunal discussed the contrary views expressed by the Hon'ble Karnataka High Court in *Tumkur Merchants Souharda Credit Cooperative Ltd. Vs. ITO (2015) 230 Taxman 309 (Kar.)* allowing deduction u/s. 80P on interest income and that of the Hon'ble Delhi High Court in *Mantola Cooperative Thrift Credit Society Ltd. Vs. CIT (2014) 110 DTR 89 (Delhi)* not allowing deduction u/s.80P on interest income earned from banks. Both the Hon'ble High Courts took into consideration the *ratio* laid down in the case of *Totagar's Cooperative Sale Society Ltd. (supra)*. No direct judgment from

the Hon'ble jurisdictional High Court on the point having been pointed out, the Tribunal in *Shri Laxmi Narayan Nagari Sahakari Pat Sanstha Maryadit (supra)* preferred to go with the view in favour of the assessee by the Hon'ble Karnataka High Court in the case of *Tumkur Merchants Souharda Credit Cooperative Ltd. (supra)*. I, therefore, overturn the impugned order on this score and allow the deduction.

6. In the result, the appeal is allowed.

Order pronounced in the Open Court on 18th October, 2022.

Sd/-
(R.S.SYAL)
VICE PRESIDENT

पुणे Pune; दिनांक Dated : 18th October, 2022
Satish

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

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. The CIT(A) concerned
4. The Pr.CIT concerned
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण,
Nagpur / DR, Nagpur
6. गार्ड फाईल / Guard file

आदेशानुसार/ BY ORDER,

// True Copy //

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

		Date	
1.	Draft dictated on	17-10-2022	Sr.PS
2.	Draft placed before author	18-10-2022	Sr.PS
3.	Draft proposed & placed before the second member		JM
4.	Draft discussed/approved by Second Member.		JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

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