

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

BEFORE SHRI R.S. SYAL, VICE PRESIDENT

ITA No. 706/PUN/2022

निर्धारण वर्ष / Assessment Year : 2018-19

Sharad Nagari Sahakari Patsanstha Maryadit, At Post Vita, Yashwant Nagar, Tal. Khanpur, Dist. Sangli Vita, Vita, Maharashtra – 415 311 PAN : AAAAS1311F	Vs.	ITO, Ward-2, Sangli
Appellant		Respondent

Assessee by Shri Amit Sudhir Shintre
Revenue by Shri Ramnath P. Murkunde

Date of hearing 07-11-2022
Date of pronouncement 07-11-2022

आदेश / ORDER

PER R.S. SYAL, VP :

This appeal by the assessee arises out of the order dated 28-07-2022 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 2018-19.

2. The only issue raised herein is against not allowing deduction u/s.80P(2)(d) on the interest income earned from Cooperative banks and Societies.

3. The factual matrix of the case is that the assessee is the Cooperative Credit society registered under Maharashtra Cooperative Societies Act, 1912. A return was filed claiming deduction u/s.80P(2)(d) amounting to Rs.67,74,783/-, which was restricted to the extent of gross total income amounting to Rs.47,63,695/-. The Assessing Officer (AO) held the interest income of Rs.50,12,157/- earned from Cooperative banks as falling under the head 'Income from other sources' and hence, ineligible for deduction. The Id. CIT(A) accorded his imprimatur to the point of view canvassed by the AO. Aggrieved thereby, the assessee has approached the Tribunal.

4. After considering the rival submissions and perusing the relevant material on record, it is observed that the assessee is a Cooperative Credit society and earned interest income from Cooperative banks. The claim of deduction u/s.80P(2)(d) has been disallowed by the AO treating such income as falling under the head 'Income from other sources' instead of 'Profits and Gains of business or profession' as claimed by the assessee. The Id. AR has

brought to my notice copies of certain orders passed by the Pune Bench of the Tribunal on this issue accepting the assessee's claim. One of such orders is *Rena Sahakari Sakhar Karkhana Ltd. Vs. Pr.CIT (ITA No.1249/PUN/2018)*. Vide order dated 07-01-2022, the Tribunal accepted the claim of deduction u/s.80P(2)(d) under similar circumstances. No contrary order has been brought to my notice by the ld. DR. In view of the facts and respectfully following the decision of the Division Bench, I overturn the impugned order and direct to grant deduction u/s.80P(2)(d) on the amount of interest income under consideration.

5. In the result, the appeal is allowed.

Order pronounced in the Open Court on 07th November, 2022.

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

पुणे Pune; दिनांक Dated : 07th November, 2022
Satish

आदेश की प्रतिलिपि □ ग्रेषित/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. DR, ITAT, 'SMC' Bench, Pune
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

// True Copy //

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

		Date	
1.	Draft dictated on	07-11-2022	Sr.PS
2.	Draft placed before author	07-11-2022	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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