

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

BEFORE SHRI R.S. SYAL, VICE PRESIDENT

ITA No. 638/PUN/2022

निर्धारण वर्ष / Assessment Year : 2018-19

Sonai Gramin Bigarsheti Sah Patsanstha Maryadit, Gokhali, Tal. Indapur, Dist. Pune 413 106 PAN : AAAAY1535F	Vs.	DCIT, Central Circle-1(3), Pune
Appellant		Respondent

Assessee by Shri Rajkumar C. Doshi
Revenue by Shri Ramnath P. Murkunde

Date of hearing 09-11-2022
Date of pronouncement 09-11-2022

आदेश / ORDER

PER R.S. SYAL, VP :

This appeal by the assessee arises out of the order passed by the CIT(A), Pune-11 on 17-08-2022 in relation to the assessment year 2018-19.

2. The only issue raised in this appeal is against the denial of deduction u/s.80P(2)(d) on the interest income of Rs.9,75,345/- and dividend of Rs.3,775/-.

3. The factual matrix of the case is that the assessee is a credit cooperative society engaged in providing credit facilities to its members. A return was filed declaring total income at Nil. During the course of assessment proceedings, the Assessing Officer (AO)

observed that the assessee earned interest on bank deposits of Rs.9,75,345/- and dividend of Rs.3,775/- from Pune District Cooperative Bank, which was claimed as deductible u/s.80P of the Act. The AO denied the deduction, which came to be affirmed in the first appeal. Aggrieved thereby, the assessee has approached the Tribunal.

4. After considering the rival submissions and perusing the relevant material on record, it is seen that the assessee is a co-operative society which earned interest and dividend from Pune Central District Co-operative Bank. It is seen that the Pune Benches of the Tribunal in *Rena Sahakari Sakhar Karkhana Ltd. Vs. Pr.CIT (ITA No.1249/PUN/2018)* has held, vide its order dated 07-01-2022, that though co-operative banks, other than primary agricultural credit society or a primary co-operative agricultural and rural development bank, are not eligible for deduction pursuant to insertion of section 80P(4) w.e.f. 1.4.2007, but this provision does not dent the otherwise eligibility u/s 80P(2)(d) of the Act of a co-operative society on interest income on investments/deposits parked with a co-operative bank, which is a registered co-operative society as per section 2(19) of the Act, defining co-operative society to mean a co-operative society registered under the

Co-operative Societies Act, 1912 or under any law for the time being in force. Pune District Central Co-operative Bank is also a co-operative society, being, registered as such. Respectfully following the decision of the Division Bench, I overturn the impugned order and direct to grant deduction u/s.80P(2)(d) of the Act on the amount of interest and dividend income earned from Pune District Central Co-operative Bank, a co-operative society.

5. In the result, the appeal is allowed.

Order pronounced in the Open Court on 09th November, 2022.

Sd/-
(R.S.SYAL)

उपाध्यक्ष/ VICE PRESIDENT

पुणे Pune; दिनांक Dated : 09th 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	09-11-2022	Sr.PS
2.	Draft placed before author	09-11-2022	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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