

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

BEFORE SHRI R.S. SYAL, VICE PRESIDENT

ITA No. 612/PUN/2022

निर्धारण वर्ष / Assessment Year : 2018-19

Sanjivani Nagari Pat Sanstha Ltd., 55/B, Mangalwar Peth, Karad, Dist. Satara – 415 110 PAN : AAWAS1024K	Vs.	ITO, Ward-1, Satara
Appellant		Respondent

Assessee by Shri M.K. Kulkarni &
Ms. J. R. Chandekar
Revenue by Shri M.G. Jasnani

Date of hearing 10-11-2022
Date of pronouncement 15-11-2022

आदेश / ORDER

PER R.S. SYAL, VP :

This appeal by the assessee arises out of the order dated 20-07-2022 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 in this appeal is against the denial of deduction u/s.80P(2)(a)(i) on the interest income of Rs.32,03,362/-.

3. Succinctly, the facts of the case are that the assessee is a credit Cooperative society registered under Maharashtra Cooperative Societies Act, 1960. It is engaged in the business of

collecting deposits from members and gives them interest on such deposits. A return was filed declaring total income at Nil after claiming deduction of Rs.32,03,362/- u/s.80P(2) of the Act. The assessee's case was selected for scrutiny. The AO, on perusal of the Profit and loss account, asked the assessee to submit the necessary details, which the assessee complied with. The AO noticed that the assessee earned interest income of Rs.52,84,507/- on term deposits made with the Co-operative Banks, namely, M/s. Adarniya P.D. Patil Saheb Sah. Bank Ltd., Karad; M/s. The Satara District Co-operative Bank Ltd., Satara; M/s. MSEDCL and M/s. Axis Bank, which was claimed as eligible u/s.80P of the Act. However, the AO, after discussing the issue in detail and the various case laws available on the subject, disallowed such interest income amounting to Rs.52,84,507/- and held the same as chargeable under the head 'Income from other sources. Eventually, the AO assessed the income of the assessee at Rs.32,03,362/-. The Id, first Appellate Authority affirmed the view point of the AO on this score. Aggrieved thereby, the assessee has come up in appeal before 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 registered under Maharashtra Cooperative Societies Act, 1960. During the year under consideration, the assessee earned interest amounting to Rs.1,05,06,592/-. Out of such sum, an amount of Rs.52,84,507/- was earned from various Co-operative Banks. The issue of granting deduction u/s 80P on such an income is no more *res integra* in view of the catena of decisions delivered by the Pune Benches. The Pune Bench 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. The assessee is also a Co-operative society registered under the Cooperative Societies Act. 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 earned from various Co-operative Banks.

5. In the result, the appeal is allowed.

Order pronounced in the Open Court on 15th November, 2022.

Sd/-
(R.S.SYAL)

उपाध्यक्ष/ VICE PRESIDENT

पुणे Pune; दिनांक Dated : 15th November, 2022

Satish

आदेश की प्रतिलिपि □ प्रेषित/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	10-11-2022	Sr.PS
2.	Draft placed before author	14-11-2022	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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