

IN THE INCOME TAX APPELLATE TRIBUNAL  
SMC BENCH, PUNE

BEFORE SHRI R.S. SYAL, VICE PRESIDENT

आयकर अपील सं. /ITA No.478/PUN/2023

निर्धारण वर्ष / Assessment Year : 2020-21

Ichalkaranji Vyapari Sahakari Patsanstha Ltd., Ichalkaranji 5/179/1, Vyapari Bhavan, Dhanya Lane, Ichalkaranji – 416 115 Tal. Hatkanangale, Dist. Kolhapur PAN : AAAAI0209E	Vs.	ITO, Ward-1, Ichalkaranji
Appellant		Respondent

Assessee by Revenue by Shri Pramod Shingte  
Shri Gurmel Singh

Date of hearing 07-06-2023  
Date of pronouncement 07-06-2023

आदेश / ORDER

PER R.S. SYAL, VP:

This appeal by the assessee is directed against the order dated 17-03-2023 passed by the CIT(A) in National Faceless Appeal Centre, Delhi u/s.250 of the Income-tax Act, 1961 (hereinafter also called ‘the Act’) in relation to the assessment year 2020-21.

2. The only issue raised herein is against the denial of deduction u/s.80P in respect of interest income earned from the deposits with other cooperative banks.

3. Briefly stated, the facts of the case are that the assessee is a Cooperative credit society registered under Maharashtra State Co-

operative Societies Act engaged in the business of providing credit facilities to its members out of deposits collected from the members. It claimed deduction u/s.80P(2) in respect of interest income of Rs.40,65,267/- from the deposits kept with other cooperative banks. The Assessing Officer (AO) did not allow the deduction either u/s.80P(2)(a)(i) or u/s.80P(2)(d), by relying on judgment of the Hon'ble Supreme Court in the case of *PCIT Vs. Totgars Co-operative Sale Society Ltd.*, 83 taxmann.com 140. The action of the Assessing Officer came to be approved in the first appeal on this issue, against which the assessee has come up in appeal before the Tribunal contending that the deduction be allowed u/s 80P(2)(d) of the Act.

4. After considering the rival submissions and perusing the relevant material on record, it is seen that the assessee is a co-operative society and earned interest income amounting to Rs.40,65,267/- from the deposits with other Co-operative Banks. The extant issue is no more *res integra* in view of the catena of decisions delivered by the Pune Benches, including the *Rena Sahakari Sakhar Karkhana Ltd. Vs. Pr.CIT (ITA No.1249/PUN/2018)* holding, 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 payer of interest 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 cooperative banks.

5. In the result, the appeal is allowed.

Order pronounced in the Open Court on 07<sup>th</sup> June, 2023.

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

पुणे Pune; दिनांक Dated : 07<sup>th</sup> June, 2023  
सतीश

**आदेश की प्रतिलिपि □ ग्रेषित/Copy of the Order is forwarded to:**

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent
3. The Pr.CIT concerned
4. DR, ITAT, 'SMC' Bench, Pune
5. गार्ड फाईल / Guard file.

**आदेशानुसार/ BY ORDER,**

**// True Copy //**

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

		Date	
1.	Draft dictated on	07-06-2023	Sr.PS
2.	Draft placed before author	07-06-2023	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.		

\*