

आयकरअपीलीयअधिकरण, 'ए' न्यायपीठ,चेन्नई।  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'A' BENCH: CHENNAI**

माननीय श्री महावीर सिंह, उपाध्यक्ष, एवं  
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष  
**BEFORE HON'BLE SHRI MAHAVIR SINGH, VICE PRESIDENT AND**  
**HON'BLE SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER**

आयकरअपील सं./**ITA No.1212/Chny/2023**  
निर्धारण वर्ष/**Assessment Year: 2020-21**

TN Civil Supplies Corporation Staff Co-Op Thrift & Credit Society Ltd.,  
No.9, 2<sup>nd</sup> Floor, Davidson Street,  
Chennai-600 001.  
[PAN: AAEAT 2047 B]  
**(अपीलार्थी/ Appellant)**

**v.** The Assessing Officer,  
Non-Corporate Ward-12(1),  
Chennai.  
**(प्रत्यर्थी/ Respondent)**

अपीलार्थी की ओर से/ Appellant by : Shri B. Suresh, CA  
प्रत्यर्थी की ओर से /Respondent by : Shri ARV Sreenivasan, -  
Addl.CIT

सुनवाई की तारीख/Date of Hearing : 21.03.2024  
घोषणा की तारीख/Dt. of Pronouncement : 01.04.2024

**आदेश / ORDER**

**PER MANOJ KUMAR AGGARWAL, AM:**

Aforesaid appeal by the assessee is directed against the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Income Tax Department, Delhi, dated 20.09.2023, and pertains to AY 2020-21.

**2.** The assessee has raised the following grounds of appeal:

- 1. The contention of AO which was confirmed by CIT(A) is erroneous, opposed to facts, law and circumstance of the case.*
- 2. Ld. CIT(A) erred in misdirecting himself by not following the Judgments of Supreme court, jurisdictional High Court and ITAT.*

3. *Interest on Reserve fund, Dividend, Interest on BDR and FD are deductible not only u/s 80P(2)(a)(i) but also u/s 80P(2)(d).*
  4. *The deductions are available even if the income is assessed as income from other sources.*
  5. *Chennai Central Cooperative Bank (CCC Bank) continues to be a cooperative society even though it obtained a license to do banking business.*
  6. *Deduction u/s SOP is available for income from investments in any other Cooperative societies that includes even any Cooperative Banks.*
  7. *Sec. 80P(4) was brought in to tax the income of a cooperative bank and not income received from a cooperative bank.*
  8. *Sec 80P(4) does not vitiate the eligibility of deduction u/s SOP if the income is received from investment with a co-operative bank.*
- For these grounds and any other grounds that may be adduced in future, it is prayed that the entire disallowance and the resultant demand be deleted.*

As is evident, the sole issue that arises for our consideration is assessee's claim of deduction u/s 80P(2)(d).

**3.** The brief facts of the case are that the assessee is a Co-operative Credit Society. It filed its return of income for AY 2020-21 declaring 'NIL' income after claiming deduction u/s.80P of the Act. The case was selected for scrutiny and the Faceless Assessing Officer disallowed deduction u/s.80P amounting to Rs.92,14,328/- comprising interest and dividend income earned from investments in Chennai Central Co-operative Bank. The addition was made by the AO was on the premises that Chennai Central Co-operative Bank is not a Co-operative Society but a Co-operative Bank and therefore, deduction u/s.80P of the Act, would not be available to the assessee. The First Appellate Authority confirmed the action of the AO vide its order dated 20.09.2023. Aggrieved by the

aforsaid order, the assessee is in appeal raising the grounds of appeal mentioned hereinabove. Ground Nos.1 to 8 are centered against the controversy of denial of deduction u/s.80P of the Act, and hence, adjudicated together.

**4.** During the course of hearing, the Counsel of the assessee, inter alia, pleaded that its case is covered by the order of this Tribunal in assessee's own case for AY 2018-19 vide ITA No.477/Chny/2023 dated 25.09.2023.

**5.** The Ld. DR vehemently argued placing reliance upon the orders of authorities below. However, the fact that the case is covered by earlier order of the Tribunal, could not be controverted before us.

**6.** We have heard the rival submissions. It is noted that this Tribunal in assessee's own case for AY 2018-19 vide ITA No.477/Chny/2023 dated 25.09.2023 has ordered as under:

*".....We have heard rival contentions and gone through facts and circumstances of the case. We noted that admittedly, the assessee is a co-operative society extending credit facility to its members who are the employees of Tamil Nadu Civil Supplies Corporation and depositing the surplus funds with its controlling bank i.e., Chennai Central Cooperative Bank Ltd. The assessee admittedly earned dividend and interest income to the tune of Rs.85,55,757/- from its investments in the Central Cooperative Bank Ltd., and claimed the same as deduction u/s.80P(2)(d) of the Act. The AO while framing assessment in limited scrutiny assessment has examined the claim of deduction u/s.80P(2)(d) of the Act and even otherwise on merits also, the assessee's case is squarely covered by the decision of Hon'ble Supreme Court in the case of Maviiayi Service Co-operative Bank Ltd., vs. CIT, (2021) 431 ITR 1 and a recent decision of Hon'ble Supreme Court in the case of Keraia State Co-operative Agricultural and Rural Development Bank Ltd., in Civil Appeal No.10069 of 2016, order dated 14.09.2023. We noted that the assessee is a co-operative society and its receipts are mainly from members from where the assessee earned interest income and also out of surplus funds, the deposited with Co-operative Banks / Societies and earned interest and dividend of Rs.85,55,757/- and claimed the same as deduction u/s.80P(2)(d) of the Act. Since, the issue is covered by the decisions of Hon'ble Supreme Court in the case of Maviiayi Service Co-operative Bank Ltd., supra and Kerala State Co-operative Agricultural and Rural Development Bank Ltd., supra, respectfully following the same we quash*

*the revision order passed u/s.263 of the Act by the PCIT and allow the appeal of assessee.....”*

**7.** It has been noted that there is no change in the material facts of the case for the present assessment year. Accordingly, respectfully following the decision in ITA No.477/Chny/2023, we hold that assessee is entitled for the claimed deduction u/s.80P of the Act for Rs.92,14,328/-. Accordingly, the addition of Rs.92,14,328/- made by the AO in his order dated 21.09.2022 u/s.143(3) r.w.s.144B of the Act, is deleted.

**8.** In the result, the appeal filed by the assessee is allowed.

Order pronounced on the 1<sup>st</sup> day of April, 2024, in Chennai.

Sd/-  
(महावीर सिंह)  
**(MAHAVIR SINGH)**  
उपाध्यक्ष/VICE PRESIDENT

Sd/-  
(मनोज कुमार अग्रवाल)  
**(MANOJ KUMAR AGGARWAL)**  
लेखा सदस्य /ACCOUNTANT MEMBER

चेन्नई/Chennai,  
दिनांक/Dated: 1<sup>st</sup> April, 2024.  
TLN

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT
4. विभागीय प्रतिनिधि/DR
5. गार्डफाईल/GF