

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR “SMC” BENCH :NAGPUR [VIRTUAL HEARING]
BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

I.T.A.No.28/NAG./2023
Assessment Year 2020-2021

Ordinance Bhandara Sahakari Pat Sanstha Ltd., Jawahar Nagar, Factory Area, BHANDARA PIN – 441 906. Maharashtra PAN AAAAO0028M (Appellant)	vs.	The Assessment Unit, Income Tax Department, C/o. The Income Tax Officer, Ward – 2, BHANDARA. Maharashtra. (Respondent)
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For Assessee :	Shri Kapil Hirani, Advocate
For Revenue :	Shri Abhay Y. Marathe

Date of Hearing :	22.03.2024
Date of Pronouncement :	01.05.2024

ORDER

This assessee’s appeal for assessment year 2020-21, arises against the National Faceless Appeal Centre [in short the “NFAC”] Delhi’s Din and Order No. ITBA/NFAC/S/250/2022-23/1047459618(1), dated 16.11.2022, involving proceedings u/s. 143(3) of the Income Tax Act, 1961 (in short “the Act”).

Heard both the parties. Case file perused.

2. Delay of 08 days in filing the instant appeal is condoned as per assessee’s solemn averments in light of Collector, Land Acquisition vs., MST Katiji [1987] 167 ITR 471 (SC) having settled the law long back that all such technical aspects must make a way for the cause of substantial justice.

3. It emerges at the outset with the able assistance coming from both the parties that the assessee's sole substantive grievance herein involves an amount of Rs.2,85,982/- representing alleged interest income which has been held as not eligible for sec.80P(2)(a)(i) deduction.

4. Learned DR vehemently argued that this amount has been found as the excessive component in assessee's deduction claim which hardly deserves to be accepted for the purpose of computing the impugned deduction. Mr. Marathe further sought to buttress the point that the assessee had also not filed its correct statement of facts in the lower appellate proceedings which has resulted in rejection of its impugned deduction.

5. I have given my thoughtful consideration to the foregoing rival stands and find merit in assessee's case. This is for the precise reason that the assessee has all along been claiming the impugned sum to be representing its SLR i.e., Statutory Liquidity Ratio as mandatory compliance of the various banking norms applicable in case of a co-operative society. It is in this factual backdrop that hon'ble apex court's landmark decision CIT vs., Karnataka State Cooperative Apex Bank [2001] 251 ITR 194 (SC) and CIT vs. Nawanshahar Central Cooperative Bank Ltd., [2007] 289 ITR 6 (SC) have already settled the issue in assessee's favour and against the department that such an interest derived from deposits of SLR funds duly qualifying for sec.80P(2)(a)(i) deduction. That being the

clinching case, I accept the assessee's instant sole substantive grievance in very terms. Ordered accordingly.

6. This assessee's appeal is allowed in above terms.

Order pronounced in the open Court on 01.05.2024.

Sd/-
[SATBEER SINGH GODARA]
JUDICIAL MEMBER

Pune, Dated 01st May, 2024

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	The Pr. CIT, Nagpur concerned
4.	D.R. ITAT, "SMC" Bench, Nagpur.
5.	Guard File.

//By Order//

//True Copy //

Sr. Private Secretary, ITAT, Pune Benches,
Pune.