

।आयकर अपीलीय अधिकरण "बी" न्यायपीठ पुणेमें।
IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES "B" :: PUNE

BEFORE DR. DIPAK P. RIPOTE, ACCOUNTANT MEMBER
AND
SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.721/PUN/2024
निर्धारण वर्ष / Assessment Year: 2014-15

Sai Arihant Nagari Sahakari Patsanstha Ltd., A/p.Shirdi Tal Rahata, Ahmednagar – 423109. PAN: AAABS0599Q	V S	The Income Tax Officer, Ward-1, Ahmednagar.
Appellant/ Revenue		Respondent /Assessee

Assessee by	Smt.Deepa Khare – AR
Revenue by	Shri Sourabh Nayak – Addl.CIT-DR
Date of hearing	31/05/2024
Date of pronouncement	05/06/2024

आदेश/ ORDER

PER DR. DIPAK P. RIPOTE, AM:

This is an appeal filed by the assessee against the order of ld.CIT(A)[NFAC] for A.Y.2014-15 dated 11.03.2024 passed u/sec.250 of the Act. The assessee has raised the following grounds of appeal :

- “1. The ld CIT(A) erred in law and on facts in confirming disallowance of Rs1,23,06,150/- in respect of NPA Expenditure.*
- 2. The ld CIT(A) erred in law and on facts in denying the deduction claimed under Section 80P(2)(a) of Rs. 1,23,06,150/- to the*

appellant the income assessed on account of disallowance of NPA expenditure.

3. The ld CIT(A) failed to appreciate that the disallowance of NPA expenditure would result into increasing the income from activities of providing credit facilities to members which is eligible for deduction u/s 80P(2)(a).

4. The appellant craves leaves to add, alter, modify or substitute any ground of appeal at the time of hearing.”

Brief facts of the case :

2. Assessee is a Co-operative Credit Society. Assessee e-filed Return of Income for A.Y.2014-15 on 27.09.2014 by declaring total income at Rs.22,88,310/-. The assessee has claimed deduction u/sec.80P of the Act in the Original Return of Income filed on 27.09.2014. The ld.AR has filed the copy of the said return during the proceedings before us. The assessee's case was selected for scrutiny. The assessment order u/sec.143(3) was passed on 14.12.2016 assessing the income at Rs.23,06,152/-. A notice u/sec.148 of the Act was issued on 22.04.2020 as AO noticed that assessee has debited an amount of Rs.1 crore as provision for assets non-performing in profit and loss account. In the re-assessment order, AO held that assessee is a Co-operative Credit Society and not a bank, therefore, provisions of sections

36(1)(viia) of the Act are not applicable, therefore, AO made the addition of Rs.1 crore to the income assessed u/sec.143(3) on 14.12.2016. AO has not allowed any deduction u/sec.80P of the Act on the addition made by AO of Rs.1 crore. Aggrieved by the assessment order, assessee filed appeal before the Id.CIT(A). The Id.CIT(A) upheld the order of the AO.

Submission of the Id.AR for the Assessee :

3. The Id.AR at the outset submitted that ITAT Pune in assessee's own case in ITA No.722/PUN/2024 for A.Y.2017-18 on identical facts has allowed deduction u/sec.80P(2) of the Act.

Submission of Id.DR for the Revenue :

4. The Id.Departmental Representative for the Revenue (Id.DR) relied on the order of the Assessing Officer and Id.CIT(A).

Findings & Analysis :

5. We have heard both the parties and perused the records. The ITAT Pune in ITA No.722/PUN/2024 for A.Y.2017-18 in assessee's own case had held as under:

“In any event, in view of the undisputed position that the appellant cooperative society is entitled for deduction u/s.80P(2)(a)(i) of the Act, the addition, if any, also partakes the character of business

income, which qualifies for deduction u/s.80P(2)(a)(i) of the Act. Accordingly, the appeal filed by the appellant cooperative society stands allowed.”

6. Thus, ITAT Pune in assessee’s own case has categorically held that assessee is entitled for deduction u/sec.80P(2)(a) of the Act, even if any addition is made to the income of the assessee. Thus, respectfully following the ITAT Pune Bench’s order in assessee’s own case, the Assessing Officer is directed to allow the deduction u/sec.80P(2)(a) of the Act to the assessee. Accordingly, Ground No.2& 3 of the assessee are allowed.

7. Ground No.1 is not pressed and the Ground No.4 is general in nature, hence needs no adjudication, accordingly, Ground No.1 is dismissed as not pressed and Ground No.4 is dismissed.

8. In the result, appeal of the assessee is partly allowed.

Order pronounced in the open Court on 5th June, 2024.

Sd/-
(VINAY BHAMORE)
JUDICIAL MEMBER

Sd/-
(DR. DIPAK P. RIPOTE)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 5th June, 2024/ SGR*

आदेशकीप्रतिलिपिअग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT(A), concerned.
4. The Pr. CIT, concerned.
5. विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, “बी” बेंच,
पुणे / DR, ITAT, “B” Bench, Pune.
6. गार्डफ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// TRUE COPY //

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