

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

BEFORE SHRI R. K. PANDA, VICE PRESIDENT
AND
SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.214/PUN/2024
निर्धारण वर्ष / Assessment Year: 2017-18

Shecospin Employees Co-op. Credit Society Limited, Soot Girni Campus Miraj Pandharpur Road, At Post Tal Sangola Dist Solapur- 413307. PAN : AAEAS4895A	Vs.	NFAC, Delhi.
Appellant		Respondent

Assessee by : None
Revenue by : Shri Sourabh Nayak
Date of hearing : 12.06.2024
Date of pronouncement : 27.06.2024

आदेश / ORDER

PER VINAY BHAMORE, JM:

This appeal filed by the assessee is directed against the order dated 11.12.2023 passed by LD CIT(A)/NFAC for the assessment year 2017-18.

2. The appellant has raised the following grounds of appeal :-

"1. In the facts and circumstances of the case and in law, it may please be held that the interest income of Rs.7,82,259/- earned by the appellant assessee during the previous year from Cooperative Societies and Cooperative Banks on deposits kept with them does not constitute the business income of the appellant but the same constitutes as income from other sources and hence the same is exempt u/s 80P[2][d] of the I.T. Act 1961.

2. In the facts and circumstances of the case and in law, it may please be held that the appellant had kept the deposits with the

Cooperative Societies and Cooperative Banks out of its surplus funds from its only activity of providing credit facility to its members and hence interest income earned thereon was rightly claimed as exempt under Section 80P[2][d] of the I.T. Act 1961 and all the consequential reliefs may please be granted.

3. *The learned CIT [A] has misconstrued the Statement of facts submitted by the appellant in Form 35 wherein in Para 13 it has been mentioned that the decision of Hon SC in the ease of Totgar's Coop Sale society Ltd v/s ITO reported in 322 ITR 283 was inapplicable. The said statement was made relating to the business of the appellant in the said case, which was carrying on business of providing credit facilities to its members and to market the agriculture produce of its members, whereas the business of the appellant assessee herein was of providing credit facilities to its members only out of surplus funds available with it and was not out of the business of providing credits to its members or public at large. In the circumstances the interest earned by the appellant society was not its business income but income from other sources and accordingly be taxed u/s 80P[2][d] of the I.T. Act 1961*

4. *The respondent revenue may please be directed to pay cost of this appeal to the appellant asscssee for causing harassment by not following the binding decisions of Hon, ITAT Pune Benches and decision of Hon. Supreme Court in proper perspective.*

5. *The appellant craves the permission to add, amend, modify, alter, revise, substitute, delete any or all grounds of appeal, if deemed necessary at the time of hearing of the appeal."*

3. The facts, in brief, are that the assessee is a Co-operative Society registered under the provisions of the Maharashtra Co-operative Societies Act, 1960. It is engaged in the business of providing credit facilities to its members. The Return of Income for the assessment year 2017-18 was filed on 25.11.2019 declaring Rs.Nil income after claiming deduction u/s 80P of the IT Act. Against the said return of income, the assessment was completed by the Assessing Officer by disallowing the claim for deduction of Rs.4,15,001/- being interest from investment and Rs.3,67,258/-

being interest on deposit, totalling to Rs.7,82,259/- made with District Central Co-operative Bank by holding it to be not a co-operative society but a co-operative bank.

4. Being aggrieved, an appeal was filed before the NFAC, who vide impugned order dated 11.12.2023 confirmed the disallowance made by the Assessing Officer.

5. Being aggrieved with the decision of the Id. CIT(A)/NFAC, the appellant is in appeal before this Tribunal.

6. When the appeal was called for hearing, none appeared on behalf of the assessee despite due service of notice of hearing. Therefore, we proceed to dispose of the matter on merits after considering the material on record as well as after hearing the Id. DR.

7. We have heard the Id. DR and perused the material available on record. The only issue in the present appeal is as to the allowability of deduction under the provisions of section 80P(2)(d) of the IT Act in respect of interest income earned by a cooperative society from the other cooperative bank. This issue is no longer *res integra* as the issue was decided by the Co-ordinate Bench of this Tribunal in assessee's own case for assessment years 2018-19 & 2020-21 vide order dated 10-07-2023 in ITA Nos.420 &

421/PUN/2023 respectively, wherein, the Tribunal held that the interest income earned by a cooperative society from other cooperative bank qualifies for deduction u/s 80P(2)(d) of the IT Act. The ld. DR could not bring on record any order/material contrary to the view taken by the Co-ordinate Bench of this Tribunal in assessee's own case (supra). Therefore, following the findings of this Tribunal in assessee's own case (supra), we direct the Assessing Officer to allow deduction in respect of interest income earned from other cooperative bank. Thus, the grounds of appeal raised by the assessee in the instant appeal stands allowed.

8. In the result, the appeal filed by the assessee stands allowed.

Order pronounced in the open Court on 27th June, 2024.

Sd/-
(R. K. PANDA)
VICE PRESIDENT

Sd/-
(VINAY BHAMORE)
JUDICIAL MEMBER

पुणे / Pune; दिनांक / Dated : 27th June, 2024.

Sujeet

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "B" बेंच, पुणे / DR, ITAT, "B" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

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