

**IN THE INCOME TAX APPELLATE TRIBUNAL
“A” BENCH : BANGALORE**

**BEFORE SHRI GEORGE GEORGE K, VICE PRESIDENT
AND SHRI WASEEM AHMED, ACCOUNTANT MEMBER**

ITA No.888/Bang/2024
Assessment Years : 2018-19

BEE Co-op Credit Society Ltd., No.T-70, BEL Colony, Jalahalli, Bengaluru-50 013. PAN – AAAAB 0981 A	Vs.	The Income Tax Officer, Ward - 6(2)(4), Bengaluru.
APPELLANT		RESPONDENT

Assessee by	:	Shri Madhukar Hegde, C.A
Revenue by	:	Shri Ganesh R Gale, Standing Counsel for Department

Date of hearing	:	06.06.2024
Date of Pronouncement	:	16.07.2024

ORDER

PER WASEEM AHMED, ACCOUNTANT MEMBER:

This is an appeal filed by the assessee against the order passed by the NFAC, Delhi dated 23/03/2024 in DIN No. ITBA/NFAC /S/250/2023-24/1063228471(1) for the assessment year 2018-19.

2. The assessee before us has raised as many as nine grounds of appeal but the effective issue raised at the time of hearing is that the learned CIT-A erred in not granting the cost incurred by it against the interest income from co-operative bank and nationalised bank.

3. The AO during the assessment proceedings found that the assessee has earned interest income from the cooperative and nationalised bank amounting to Rs. 7,82,020.00 which according to the AO was not eligible for deduction under section 80P(2)(i)/ 80P(2)(d) of the Act. Therefore, the AO disallowed the same and added to the total income of the assessee.
4. Aggrieved assessee preferred an appeal to the Ld. CIT-A who confirmed the order of the AO.
5. Being aggrieved by the order of the ld. CIT-A, the assessee is in appeal before us.
6. The learned AR before us has filed written submission running from pages 1 to 3 and raised various contentions therein. However, at the time of hearing, the ld. AR before us is fairly admitted that the assessee is not eligible for deduction under section 80P(2)(d) of the Act with respect to the interest earned from the cooperative bank and commercial bank. But the ld. AR raised limited contention stating that the assessee is entitled for the deduction of corresponding cost incurred by the assessee against such income.
7. On the other hand, the ld. the AR before us vehemently supported the order of the authorities below.
8. We have heard the rival contentions of both the parties and perused the materials available on record. In the present case, the issue before us is limited whether the assessee is entitled for deduction against the interest

income from the cooperative and commercial bank. This issue raised by the Id. AR at the time of hearing has already been answered by the ITAT in the own case of the assessee for the assessment year 2017-18 in ITA No. 366/Bang/2023 vide order dated 19 July 2023. The relevant extract of the order is reproduced as under:

“it is directed that any interest earned by the assessee from commercial banks may be considered. under the head income from other sources by granting benefit available to the assessee u/s 57 of the Act.”

8.1 In view of the above, we hold that the assessee is eligible for deduction against the interest income earned from the cooperative and commercial bank in pursuance to the provisions of section 57 of the Act. Before parting it is important to note that the Tribunal in the own case of the assessee cited above has directed to allow deduction with respect to the interest earned from the cooperative bank under the provisions of section 80P(2)(d) of the Act. However, at the time of hearing, the Id. AR before us did not press the ground of claiming deduction with respect to interest income from the cooperative bank under the provisions of section 80P(2)(d) of the Act. Accordingly, we are not going to decide the same though it is arising from the grounds of appeal of the assessee.

8.2 It is not out of the place to mention that the assessee is entitled for deduction under section 80P(2)(c) of the Act for Rs. 50,000 which should be allowed to the assessee as per provisions of law if not granted by the revenue. With this observation, the ground of appeal filed by the assessee is partly allowed for statistical purposes.

9. In the result, the appeal filed by the assessee is partly allowed for statistical purposes.

Order pronounced in court on 16th day of July, 2024

Sd/-

(GEORGE GEORGE K)
Vice President

Sd/-

(WASEEM AHMED)
Accountant Member

Bangalore,
Dated, 16th July, 2024

vms

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore