

**IN THE INCOME TAX APPELLATE TRIBUNAL  
'A' BENCH, BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER AND  
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA No.691/Bang/2024
Assessment Years : 2017-18

Telecom Employees Coop Housing Society Limited., 23, Nehrunagar Main Road, Seshadripuram, Bangalore-560 020.  <b>PAN – AAAAT 9383 J</b>	Vs.	The Asst. Commissioner of Income Tax, Circle-2(2)(1), Bangalore.  .
APPELLANT		RESPONDENT

Assessee by	:	Shri Tharun Kothari, Advocate
Revenue by	:	Shri Chinmay Anand Jain, JCIT (DR)

Date of hearing	:	03.07.2024
Date of Pronouncement	:	22.07.2024

**ORDER**

**PER WASEEM AHMED, ACCOUNTANT MEMBER:**

This is an appeal filed by the assessee against the order passed by the NFAC, Delhi dated 31/03/2024 in DIN No. ITBA/NFAC/250/2023-24/1063796178(1) for the assessment year 2017-18.

2. The only issue raised by the assessee is that the Id. CIT(A) erred in denying the deduction claimed u/s 80P(2)(d) of the Act amounting to Rs. 26,53,275/- on the ground that it has not received from the members.

2.1 The AO during the assessment proceedings found that the assessee has received certain income from the co-operative banks,

which was not eligible for deduction u/s 80P(2)(d) of the Act. Thus, the AO disallowed the same amounting to Rs. 26,53,275/- and added to the total income of the assessee.

3. Aggrieved, assessee preferred an appeal to the Id. CIT(A) who confirmed the order of the AO.

4. Being aggrieved by the order of the Id. CIT(A), the assessee is in appeal before us.

5. The Id. AR before us contended that the identical issue has been decided by the ITAT in the case of Basaveshwaranagara Co-opera in ITA No. 329 to 333/Bang/2024 vide order dated 23.04.2024 by restoring the issue to the file of the AO with the direction. As such, the Id. AR prayed before us that similar direction can also be issued in the case on hand.

6. On the contrary, the Id. DR vehemently supported the order of the authorities below.

7. We have heard the rival contentions of both the parties and perused the materials available on record. At the outset, we note that the Tribunal in the case of Basaveshwaranagara Co-opera cited above, involving the identical facts has decided the issue by observing as under:

*“4. We have heard the rival submissions and perused the materials available on record. As regards the claim of deduction u/s 80P(2)(d) of the I.T. Act, we direct the A.O. to verify whether interest / dividend is received by the assessee out of investments made with Cooperative Societies. If the assessee earns interest / dividend income out of investments with co-operative society, as observed by*

*Hon'ble Supreme Court in the case of Kerala State Co-operative Agricultural and Rural Development Bank Ltd. in Civil Appeal No.10069 of 2016, order dated 14.09.2023, the same is entitled to deduction u/s 80P(2)(d) of the I.T. Act.*

*4.1 Without prejudice to the above, we make it clear that if the interest earned by assessee from the banks is considered under the head "Income from other sources", relief to be granted to the assessee u/s 57 of the Act in accordance with law. Accordingly, the issue is restored to the file of ld. AO for de-novo consideration with the above observations.*

*4.2 Accordingly, the issue in dispute in these appeals are remitted to the file of ld. AO for fresh consideration.*

*5. In the result, appeals of the assessee are partly allowed for statistical purposes.*

8. The facts in the case cited above are identical to the facts of the case on hand, therefore, respectfully following the same, we set aside the issue to the file of the AO for fresh adjudication in the light of the above case and as per the provisions of law. Hence, the appeal of the assessee is hereby allowed for the statistical purposes.

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

Order pronounced in court on 22<sup>nd</sup> day of July, 2024

Sd/-

**(KESHAV DUBEY)**  
Judicial Member  
Bangalore  
Dated, 22<sup>nd</sup> July, 2024

Sd/-

**(WASEEM AHMED)**  
Accountant Member

/ 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