

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

BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER  
AND  
MS. ASTHA CHANDRA, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.150/PUN/2024

निर्धारण वर्ष / Assessment Year : 2021-22

Sangli District Labour Contract Co.op Societies Co.op Federation Limited Sangli, Shram Sahakar, Revani Road, Opp. Municipal Corporation Building, Sangli 416 416 Maharashtra PAN : ABSAS0036J	Vs.	ITO, Sangli
Appellant		Respondent

Assessee by : Shri Amit Shintre &  
Shri Sudhir Shintre (through Virtual)  
Revenue by : Shri Ajay Kumar Keshari  
Date of hearing : 24.07.2024  
Date of pronouncement : 05.08.2024

**आदेश / ORDER**

**PER INTURI RAMA RAO, AM:**

This is an appeal filed by the assessee directed against the order of the National Faceless Appeal Centre, Delhi dated 06.12.2023 for the assessment year 2021-22.

2. Brief facts of the case are that the appellant is a Cooperative society duly registered under the Maharashtra Cooperative Societies Act, 1960. It is engaged in federation of labour societies under Sangli District. The Return of Income for the A.Y.2021-22 was filed on 04.02.2022 declaring total income of Rs.63,016/- after claiming deduction u/s.80P(2)(a)(vi) of the Income-tax Act, 1961 (hereinafter

also called 'the Act'). Against the said return of income, the assessment was completed by the Assessing Officer (AO) vide order dated 09.12.2022 u/s.143(3) r.w.s.144B of the Act at a total income of Rs.65,68,330/-. While doing so, the AO had disallowed the claim for deduction u/s.80P(2)(a)(vi) of the Act on the ground that the income shown in the return of income was not derived from the collective disposal of labour. The AO also had disallowed the interest of Rs.22,77,800/- claimed u/s.80P(2)(d) of the Act on the ground that such deduction was not claimed in the return of income.

3. Being aggrieved, an appeal was preferred before the CIT(A)/NFAC, who vide impugned order confirmed the action of the AO by observing that the appellant society had not derived the income from the activity as envisaged u/s.80P(2)(a)(vi) of the Act. As regards the deduction of interest income of Rs.22,77,800/- derived by the appellant society from the FDs with Sangli District Central Cooperative Bank Ltd. u/s.80P(2)(d), the CIT(A)/NFAC upheld the denial of deduction made by the AO on the ground that no such claim was made in the return of income.

4. Being aggrieved, the appellant society is in appeal before the Tribunal in the present appeal.

5. We heard the rival submissions and perused the material on record. As regards the ground relating to eligibility of deduction u/s.80P(2)(a)(vi) in respect of income derived from the activity of collective disposal of labour of its members, the AO observed that the appellant society had not derived income from the above activity. The nature of income derived by the appellant society had been extracted by the AO vide para 3.1 of the assessment order. On mere perusal of the contents of this para, it would reveal that the appellant society had not

derived income from the activity of collective disposal of labour of its members. Therefore, we have no hesitation to hold that the appellant society is not entitled for deduction u/s.80P(2)(a)(vi) of the Act.

6. As regards the claim of deduction of interest income on FDs made with Sangli District Central Cooperative Bank Ltd. amounting to Rs.22,77,800/-, we are of the considered opinion that the ends of justice would meet if the matter is restored to the file of Assessing Officer with a direction to allow the deduction, on due verification, on being satisfied that the interest income is earned from a Cooperative Society/Cooperative Bank, subject to fulfillment of other conditions.

7. In the result, the appeal filed by the assessee is partly allowed.

Order pronounced on this 05<sup>th</sup> day of August, 2024.

**sd/-**  
**(ASTHA CHANDRA)**  
**JUDICIAL MEMBER**

**sd/-**  
**(INTURI RAMA RAO)**  
**ACCOUNTANT MEMBER**

Pune / Dated : 05<sup>th</sup> August, 2024.

*Satish*

**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.