

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

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI GD PADMAHSHALI, ACCOUNTANT MEMBER

ITA Nos.532 & 533/PUN/2024
Assessment Years 2018-2019 & 2020-2021

Veej kamgar Co-operative Credit Society Ltd., Vidyut Bhavan, New Mondha, Nanded, Dist. Nanded PIN – 431 602 PAN : AAAJV0065E (Appellant)	vs.	The Income Tax Officer, Ward – 1, Aayakar Bhavan, Bafna Road, Nanded. Maharashtra. (Respondent)
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For Assessee :	-None-
For Revenue :	Shri Arvind Desai, Addl. CIT-DR

Date of Hearing :	28.08. 2024
Date of pronouncement :	30.08.2024

ORDER

PER SATBEER SINGH GODARA, J.M.

These assessee's twin appeals ITA Nos.532 & 533/PUN/2024, for assessment years 2018-2019 & 2020-2021, arise against the National Faceless Appeal Centre [in short the "NFAC"] Delhi's as many Din and Order Nos.ITBA/NFAC/S/250/2023-24/1059879298(1) & 1059884629(1), both dated 18.01.2024, involving proceedings u/s. 143(3) of the Income Tax Act, 1961 (in short "the Act"); assessment year-wise; respectively.

Case called twice. None appears at assessee's behest. It is accordingly proceeded ex-parte.

2. It emerges at the outset that the assessee; a co-operative credit society; is aggrieved against both the learned lower authorities identical action disallowing its sec.80P(2)(a)(i) deduction(s) of Rs.4265716/- and Rs.85,87,112/-; assessment year-wise; respectively; representing interest income(s) derived from cooperative society(ies)/cooperative bank(s) and nationalized bank(s); as the case may be; on the ground that the same have not been derived from providing credit facilities to the members concerned.

3. Learned DR vehemently drawn strong support from both the learned lower authorities identical action that the assessee's interest income derived from members only than those from such investments; which only entitled for sec.80P(2)(a)(i) deduction.

4. We note in this factual backdrop that this tribunal's recent coordinate bench's order ITA.No.261/PUN./2023 Subordinate Engineers Association MSEB Co-operative Credit Society Ltd vs. ITO dated 16.05.2023 has rejected the Revenue's very stand as under :

“2. Succinctly, the facts of the case are that the assessee is a credit cooperative society engaged in the business of providing banking or credit facilities to its members. The assessee filed return claiming deduction u/s.80P(2)(a)(i) of

the Act in relation to interest income earned from a nationalized bank, namely, Oriental Bank Ltd., Kolhapur amounting to Rs.5,16,876/-. The Assessing Officer denied the benefit of deduction u/s.80P, which came to be countenanced in the first appeal. Aggrieved thereby, the assessee has come up in appeal before the Tribunal.

3. I have heard the ld. DR and gone through the relevant material on record. There is no appearance from the side of the assessee despite notice. The sole issue agitated in the extant appeal on the allowability of deduction u/s.8P(2)(a)(i) is no more res integra. I find the Pune Tribunal in Sureshdada Jain Nagari Sahakari Patsanstha Maryadit Vs. The Pr.CIT (ITA No.713/PUN/2016) has decided the question of availability of deduction u/s 80P on interest income by noticing that the Pune Bench in an earlier case of Shri Laxmi Narayan Nagari Sahakari Pat Sanstha Maryadit Vs. ITO (ITA No.604/PN/2014) has allowed similar deduction. In the said case, the Tribunal discussed the contrary views expressed by the Hon'ble Karnataka High Court in Tumkur Merchants Souharda Credit Cooperative Ltd. Vs. ITO (2015) 230 Taxman 309 (Kar.) allowing deduction u/s. 80P on interest income and that of the Hon'ble Delhi High Court in Mantola Cooperative Thrift Credit Society Ltd. Vs. CIT (2014) 110 DTR 89 (Delhi) not allowing deduction

u/s.80P on interest income earned from banks. Both the Hon'ble High Courts took into consideration the ratio laid down in the case of Totgar's Cooperative Sale Society Ltd. (supra). No direct judgment from the Hon'ble jurisdictional High Court on the point having been pointed out, the Tribunal in Shri Laxmi Narayan Nagari Sahakari Pat Sanstha Maryadit (supra) preferred to go with the view in favour of the assessee by the Hon'ble Karnataka High Court in the case of Tumkur Merchants Souharda Credit Cooperative Ltd. (supra). The position continues to remain the same before this Tribunal also. Respectfully following the precedent, the impugned order is overturned and the interest income earned from the deposits kept with nationalised bank amounting to Rs.5,16,876/- is allowed as deduction u/s.80P(2)(a)(i) of the Act.

4. *In the result, the appeal is allowed.*

5. We adopt the foregoing detailed discussion mutatis mutandis to accept the assessee's instant identical ground in both these assessment years in very terms. Ordered accordingly.

6. These assessee's twin appeals ITA.Nos.532 & 533/PUN./2024 are allowed in above terms. A copy of this common order be placed in the respective case files.

Order pronounced in the open court on 30.08.2024

Sd/-
[GD PADMAHSHALI]
ACCOUNTANT MEMBER

Sd/-
[SATBEER SINGH GODARA]
JUDICIAL MEMBER

Pune, Dated 30th August, 2024.

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	The Pr. CIT concerned
4.	The DR ITAT B-Bench, Pune.
5.	Guard file.

//By Order//

//True Copy//

Sr. Private Secretary, ITAT Pune Benches :
Pune