



।आयकर अपीलीय अधिकरण "एस एम सी" न्यायपीठ पुणेमें।  
IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCHES "SMC" :: PUNE

BEFORE MS.ASTHA CHANDRA, JUDICIAL  
MEMBER, AND  
DR.DIPAK P. RIPOTE, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.1832/PUN/2024

निर्धारण वर्ष / Assessment Year: 2020-21

N.D.A. Employees Co. Op. Credit Society Limited, Khadakwasala, Warje Malwadi, Pune – 411023. PAN: AAAAN0953C	V s	The Income Tax Officer, Ward-6(1), Pune.
Appellant / Assessee		Respondent / Revenue

Assessee by	Shri Satish Nade – AR
Revenue by	Shri B S Rajpurohit – Addl.CIT(DR)
Date of hearing	28/10/2024
Date of pronouncement	28/10/2024

**आदेश/ ORDER**

**PER DR.DIPAK P.RIPOTE, AM :**

This appeal filed by the assessee is against the order of  
ld.Commissioner of Income Tax(Appeal)[NFAC], under section  
250 of the Income Tax Act, 1961 dated 11.07.2024 for the  
Assessment Year 2020-21. The assessee has raised the following  
grounds of appeal :

*“The appellant would like to object the impugned appeal order of the  
Commissioner of Income Tax (Appeals). M AC on the following  
grounds of appeal, which are raised without prejudiced to each other.*



“1) In the facts and circumstances of the case and in law. the ld. Commissioner of Income Tax (Appeals), NFAC has not justified in upholding the Assessing Officer's finding that the interest and dividend earned from the funds invested in Pune District Central Co-operative Bank Ltd (PDC t Bank Ltd) of 34,65,724/- was not eligible for deduction u/s 80P(a)(2)(i) of the Income Tax Act as the said income was not business income but was income from other sources.

2) In the facts and circumstances of the case and in law, the learned Commissioner of Income Tax (Appeals). NFAC has grossly erred in denying deduction u/s 80P(2)(a)(i) of the IT. Act 1961 to the appellant society in respect of interest dividend income of Rs.34.65.724/- earned from fixed deposits kept by it with Pune District Central cooperative bank (PDCC Bank Ltd). The aforesaid addition being patent!) illegal, had in law. arbitrary, perverse and devoid of merits. The same may please be deleted and it may be held that the aforesaid interest/dividend income is exempt u/s 80P(a)(2)(i) of the I.T. Act. 1961.

3) In the facts and circumstances of the case and in law, the learned Commissioner of Income Tax (Appeals), NFAC has erred in upholding the Assessing Officer's finding that, the appellant was not entitled to deduction u/s 80P(2)(d) of the Income Tax Act also as the Pune District Central Co-operative Bank Ltd was not a Co-operative Society and furthermore due to the operation of Sec 80P(4) of the Income Tax Act.1961 a Co-operative Bank was ineligible for deduction u/s 80P of the Income Tax Act .1961.

4) In the facts and circumstances of the case and in law, the learned Commissioner of Income Tax (Appeals). NFAC has failed to appreciate the fact that the Pune District Central Co-operative Bank



*Ltd was primarily a Co-operative Society registered under the Maharashtra Co-operative Societies Act 1960 vide certificate of registration dated 30th Dec 1995, and as such, the income from interest and dividend earned In cooperative society front its investment from such Co-operative Bank (cooperative society)) of Rs.34,65.724/- was eligible for deduction u/s 80P(2)(d) of the Income Tax Vet.1961, even though the said income is taxed as income from other sources, as held In Hon'ble Apex Court of India in the case of Totagars Co-operative Sale Society vs. fTO in 188 tavmann.com 282 (SC) instead of business.*

*5) In the facts and circumstances of the case and in last, the learned Commissioner of Income Tax (Appeals), NFAC has erred in not following the ratio of the Hon'ble ITAT, Pune's decision in the case of Rena Sahakari Sakhar Isarkhana Ltd. Vs. Pr. Commissioner of Income Tav-2, Aurangabad (ITA No. 1249/ PI N/2018 dated 07/01 2022) and in the case of Sumitra Gramin Bigar Sheti Sahakari Pat Sanshta Maryadit (ITA No.1148/PUN/2018 dated 04/11/2022), on identical-similar issue when in fact, the decisions of jurisdictional Bench of IT XT are binding in nature on all the assesses and Authorities below working in its jurisdiction considering judicial precedence.*

*6) 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.”*

**Submission of Id.AR :**

2. The Id.AR for the assessee submitted that ITAT Pune in assessee's own case in A.Y.2018-19 in ITA No.1689/PUN/2024



vide order dated 26.09.2024 allowed the appeal of the assessee holding that interest earned from Co-operative Societies is eligible for deduction u/sec.80P(2)(a) of the Act. The Ld.AR explained that the facts for A.Y.2020-21 are identical to the facts of A.Y.2018-19. Therefore, ld.AR for the assessee pleaded that assessee's appeal may be allowed.

**Submission of ld.DR :**

3. The ld.DR for the Revenue relied on the order of Assessing Officer and Ld.CIT(A).

**Findings & Analysis :**

4. We have heard both the parties and perused the records.

4.1 During the year, assessee has earned Interest Income of Rs.34,65,724/- from Pune District Central Co-operative Bank(PDCC). It is observed that ITAT Pune in assessee's own case in ITA No.1689/PUN/2024 for A.Y.2018-19 had allowed the assessee's appeal holding that the interest and dividend earned from PDCC was eligible for deduction u/sec.80P(2)(a)(i) of the Act. The facts are identical. Therefore, respectfully following the



decision for A.Y.2018-19, assessee's appeal for A.Y.20-21 is allowed.

5. In the result, appeal of the assessee is allowed.

Order pronounced in the open Court on 28<sup>th</sup> October, 2024.

**Sd/-**  
**(MS.ASTHA CHANDRA)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(DR. DIPAK P. RIPOTE)**  
**ACCOUNTANT MEMBER**

पुणे / Pune; दिनांक / Dated : 28<sup>th</sup> Oct, 2024/ SGR\*

**आदेशकीप्रतिलिपिअग्रेषित / Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT(A), concerned.
4. The Pr. CIT, concerned.
5. विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, "एस एम सी" बेंच, पुणे / DR, ITAT, "SMC" Bench, Pune.
6. गार्डफ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// TRUE COPY //

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