

**IN THE INCOME TAX APPELLATE TRIBUNAL,
MUMBAI BENCH "J(SMC)", MUMBAI**

**BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER
AND
SHRI GAGAN GOYAL, ACCOUNTANT MEMBER**

**ITA No.4404/M/2024
Assessment Year: 2020-21**

M/s. Vasant Sagar Krishna Co- op Hsg Soc Ltd Ground Floor, Vasant Sagar Complex, Thakur Village, Kandivali (East), Mumbai - 400101 PAN: AAAAV2362B	Vs.	Centralized Processing Center, Income Tax Department, ITO Ward 42 (1)(5) Kautilya Bhawan, BKC, Mumbai - 400051
(Appellant)		(Respondent)

Present for:

Assessee by : Shri Shashank Mehta
Revenue by : Shri Asif Karmali, Sr. D.R

Date of Hearing : 15.10.2024
Date of Pronouncement: 23.10.2024

O R D E R

Per : Narender Kumar Choudhry, Judicial Member:

This appeal has been preferred by the Assessee against the order dated 29.06.2024, impugned herein, passed by the Ld. ADDL/Joint Commissioner of Income Tax (Appeal) - 1, Visakhapatnam, under section 250 of the Income Tax Act, 1961 (in short 'the Act') for the Assessment Year 2020-21.

2. In the instant case, the Assessee has earned following interest income from Co-operative banks:

Sr. no.	Bank name	Interest received in Rs.
01	Saraswat Co-op Bank	19,22,145/-
02	SVC Co-op Bank	32,983/-
03	Bharat Co-op Bank Mumbai Ltd.	49,427/-
04	Mumbai District Co-op Bank Ltd.	81,112/-
Total		20,79,895/-

3. The Assessee by filing its return of income for the assessment year under consideration on dated 30/01/2021 claimed a deduction of Rs. 20,79,895/- on account interest income earned from Co-Operative banks u/s. 80P(2)(d) of the act. The return filed by the Assessee was processed vide intimation/ order dated 23/12/2021 by the CPC/Assessing officer. The CPC vide intimation dated 23/12/2021 u/s. 143(1) of the act disallowed the aforesaid deduction claimed by the Assessee.

4. The Assessee being aggrieved challenged the aforesaid addition before the Ld. Commissioner, who though affirmed decision of assessing officer in making the disallowance on account of deduction claimed by the assessee u/s. 80P(2)(d) of the act, however, directed the AO to grant deduction to the Assessee, as per provisions of section 57 of the act, to extent applicable after verification.

5. The Assessee being aggrieved within appeal before us.

6. The question emerge "whether the Assessee is entitled to claim deduction of Rs. 20,79,895/- on account interest income earned from Co-Operative banks u/s. 80P(2)(d) of the act or not". We observe various coordinate benches of the tribunal in various

cases including in the case of Mumbai bench "SMC" in the case of Ashok Tower "D" Co. Op. Housing Society Ltd. Vs. Income Tax Officer (ITA No. 3501/M/2023) decided on 05/04/2024 has decided the identical issue as involved in this case by observing and holding as under:

"We are of the considered view, that though the co-operative bank pursuant to the insertion of Sub-section (4) of Sec. 80P would no more be entitled for claim of deduction under Sec. 80P of the Act, but however, as a co-operative bank continues to be a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912), or under any other law for the time being enforced in any state for the registration of cooperative societies, therefore, the interest income derived by a cooperative society from its investments held with a co-operative bank, would be entitled for claim of deduction under Sec.80P(2)(d) of the Act"

7. We also observe as contained by the assessee that the then ADDL/JCIT (appeal) Agra in the Assessee's own case for the Assessment Year 2021-22 decided on 29/03/2023 has also allowed the identical deduction claimed by the Assessee, by deleting the identical addition made by the AO.

8. Thus respectively, following the aforesaid judgment of the coordinate bench of the tribunal and considering the facts the Ld. ADDL./JCIT (appeal) Agra in the Assessee's own case has allowed the identical deduction, we are inclined to allow deduction claimed by the Assessee, by deleting the addition made by the AO and affirmed by the ADDL/ JCIT commissioner. Consequently, the addition is deleted and claim of deduction u/s 80P(2)(d) of the Act, as claimed by the Assessee is allowed.

9. In the result the appeal filed by the assessee stands allowed.

Order pronounced in the open court on 23.10.2024.

**Sd/-
(GAGAN GOYAL)
ACCOUNTANT MEMBER**

**Sd/-
(NARENDER KUMAR CHOUDHRY)
JUDICIAL MEMBER**

Poonam Mirashi,
Stenographer

Copy to: The Appellant
The Respondent
The CIT, Concerned, Mumbai
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.