

**IN THE INCOME-TAX APPELLATE TRIBUNAL “A” BENCH,  
MUMBAI**

**BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT  
&  
SMT. RENU JAUHRI, ACCOUNTANT MEMBER**

**ITA No. 5894/MUM/2024  
(A.Y. 2016-17)  
ITA No. 5893/MUM/2024  
(A.Y. 2017-18)**

The Salsette Catholic Co-operative Housing Society Limited. The Bandra Gymkhana 42, St. Andrew Road Bandra (W.), Mumbai-400050	v/s. बनाम	Acit-23(3), Mumbai 605, Piramal Chambers, Lalbaug, Mumbai-400012
<b>स्थायी लेखा सं./जीआइआर सं./PAN/GIR No: AAAAT0195N</b>		
<b>Appellant/अपीलार्थी</b>	..	<b>Respondent/प्रतिवादी</b>

Assessee by :	Shri Shashank Mehta
Revenue by :	Shri Ram Krishn Kedia

Date of Hearing	02.01.2025
Date of Pronouncement	06.01.2025

**आदेश / ORDER**

**PER RENU JAUHRI [A.M.] :-**

These appeals are filed by the assessee against the orders of the Learned Commissioner of Income-tax (Appeals), Mumbai/National Faceless Appeal Centre, Delhi [hereinafter referred to as “CIT(A)”] dated 13.09.2024 passed u/s. 250 of the Income-tax Act, 1961 [hereinafter referred to as “Act”] for Assessment Years [A.Y.] 2016-17 & 2017-18.

2. The assessee has raised following grounds of appeal:

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*“In the facts and circumstances of the case and in law, the Learned National Faceless Appeal Centre (NFAC) CIT (Appeals) has erred in confirming disallowance of deduction claimed of Rs. 3,04,21,874/- under section 80P(2)(d) of the Act.”*

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*1. In the facts and circumstances of the case and in law, the Learned National Faceless Appeal Centre (NFAC) CIT (Appeals) has erred in confirming disallowance of deduction claimed of Rs. 2,94,40,756/- under section 80P(2)(d) of the Act.*

3. In both the appeals, sole issue involved is regarding claim of deduction u/s 80P(2)(d) of the Act. Since facts in both the years are identical, we take up AY 2016-17 as a lead case.

4. Brief facts of the case are that the assessee, is a cooperative housing society and it filed return declaring total income of Rs. 99,18,010/- on 14.09.2016. The assessee claimed deduction u/s 80P(2)(d) of the Act in respect of interest earned from the deposits with Saraswat Co-operative Bank and Maharashtra State Co-operative Bank amounting to Rs. 3,04,21,874/-. The case was selected for limited scrutiny and assessment was completed at an income of Rs. 4,03,39,880/- after making addition on account of interest of Rs. 3,04,21,874/- received from co-operative banks.

5. Aggrieved with the order dated 18.02.2018 of the Ld. AO, the assessee filed an appeal before Ld. CIT(A). Vide order dated 31.09.2024, Ld. CIT(A), dismissed the appeal of the assessee.



6. Aggrieved with the order of Ld. CIT(A), the assessee is in appeal before us. Ld. AR has submitted a list of decisions in support of its claim that interest earned by a co-operative housing society from a co-operative bank is eligible for deduction u/s 80P(2)(d) of the Act. Some of the decisions relied upon by the assessee are as under:

- i. *Samarth Surksha Rakshank Co-op. Credit Society Ltd. ITA No. 5495/Mum/2024*
- ii. *Vile Partle Model Cooperative Housing Society Ltd. ITA No. 175/Mum/2024 & others.*
- iii. *ASIT v/s The Salsette Catholic Co-operative Housing Ltd. ITA No. 3470/Mum/2019 & others (assessee's own case)*

7. On the other hand, Ld. DR vehemently argued that the issue is covered against the assessee by the Hon'ble Karnataka High Court's decision in the case of *PCIT v/s Totalgars Cooperative Sales Society in 395 ITR 611* and argued that the interest earned from the co-operative banks does not fall under the purview of section 80P(2)(d) of the Act.

8. We have considered the rival submissions and perused the material placed before us as well as judicial pronouncements on the issue. It is seen that the issue is covered in favour of the assessee in various decisions of the co-ordinate benches as well as subsequent decisions of the Hon'ble Karnataka High Court and Gujarat High Court.



9. In assessee's own case for AYS 2013-14 and 2014-15 in ITA Nos. 3870/Mum/2019 and 3871/Mum/2019. The issue has been decided in favour of the assessee with the following observations:

*“11. Considered rival submissions and perused the material available on record including the case laws relied upon by the parties. We find that the issue in respect of deduction claimed in respect of interest income earned from Co-operative Banks under section 80P(2)(d) of the Act is squarely covered by the decisions relied upon by the learned Counsel for the assessee as aforesaid wherein identical issue, except variation in figures, has been decided by the Tribunal in (i) Amit Tata Employees Co-operative Housing Society Ltd. v/s ACIT, ITA no.292/Mum./2018, A.Y. 2014-15, order dated 26.07.2019; (ii) Poonam Chambers Premises Co-Op. Society Ltd. v/s ACIT, ITA no. 4463/Mum./2017, A.Y. 2014-15, dated 23.08.2018; (iii) Merwanjee Cama Park Co-operative Housing Society Ltd. v/s ITO, ITA no.6139/ Mum./2014, A.Y. 2010-11, order dated 27.09.2019; and (iv) ITO v/s Eternity Co-operative Housing Society Ltd., ITA no. 6159/Mum./2017, A.Y. 2013-14, order dated 15.05.2018. Consistent with the view taken in the aforesaid Co-ordinate Bench decisions in which the decision of the Hon'ble Karnataka High Court in Totagars Co-operative Society (supra), was distinguished by the Co-ordinate Bench. Therefore, we hold that the assessee is a Co-operative Society is entitled for claiming deduction under section 80P(2)(d) of the Act in respect of the interest income earned from either from Co-operative Bank or from Co-operative Society whatsoever that may be. Consequently, we uphold the order of the learned Commissioner (Appeals) by dismissing the ground raised by the Revenue.”*

10. Respectfully following the above decision of the co-ordinate bench, we hold that the assessee is entitled to claim deduction u/s 80P(2)(d) of the Act in respect of interest income received from the co-operative banks. As such the deduction of Rs. 3,04,21,874/- in respect of interest received from Saraswat Cooperative Bank and Maharashtra Cooperative Bank is hereby allowed.



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11. As the facts in this year are similar except the amount of interest received from cooperative banks which is 2,94,40,756/- during the year, the above decision for AY 2016-17 will apply mutatis mutandis for AY 2017-18 also.

12. In the result, the appeals filed by the assessee are allowed.

Order pronounced in the open court on 06.01.2025.

**Sd/-**

**SAKTIJIT DEY**

**(उपाध्यक्ष/VICE PRESIDENT)**

**Sd/-**

**RENU JAUHRI**

**(लेखाकार सदस्य/ACCOUNTANT MEMBER)**

Place: मुंबई/Mumbai

दिनांक /Date 06.01.2025

अनिकेत सिंह राजपूत/ स्टेनो

**आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त / CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण DR, ITAT, Mumbai
5. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

**आदेशानुसार/ BY ORDER,**

**उप/सहायक पंजीकार (Dy./Asstt. Registrar)**  
**आयकर अपीलीय अधिकरण/ ITAT, Bench,**  
**Mumbai.**

