



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

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER
AND SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.189/PUN/2025
Assessment Year : 2018-19

Sangli Dist. Police Coop. Credit Society Ltd., DSP Office, Sangli-Miraj Road, Vishrambag, Sangli - 416416 Maharashtra PAN : AASAS0162L	Vs.	National Faceless Assessment Centre, Delhi
Appellant		Respondent

Appellant by	:	None
Respondent by	:	Shri Ganesh B. Budruk
Date of hearing	:	01.05.2025
Date of pronouncement	:	14.05.2025

आदेश / ORDER

PER DR. MANISH BORAD, ACCOUNTANT MEMBER :

The captioned appeal at the instance of assessee pertaining to A.Y. 2018-19 is directed against the order dated 21.11.2024 framed by National Faceless Appeal Centre, Delhi arising out of Assessment Order dated 03.03.2021 passed u/s.143(3) r.w.s.143(3A) and 143(3B) of the Income-tax Act, 1961 (in short 'the Act').

2. When the appeal was called for, none appeared on behalf of the assessee despite due service of notice of hearing. We therefore proceed to dispose of the appeal with the able assistance from the ld.Departmental Representative.



3. The only grievance of the assessee is that the Id.CIT(A) erred in not granting the deduction u/s.80P(2)(d) of the Act for the interest income earned from deposits/investments with Cooperative Banks amounting to Rs.3,69,980/-.

4. Brief facts of the case are that the assessee is a Cooperative Society registered under the Cooperative Societies Act and is engaged in providing credit facilities to its members. Nil income declared in the return for A.Y. 2018-19 after claiming deduction of interest of Rs.3,67,690/- received from deposits/ investments with Cooperative Bank namely Sangli District Central Coop Bank. Assessing Officer denied the said claim. Assessee preferred appeal before the Id.CIT(A) and the Id.CIT(A) affirmed the action of the Assessing Officer.

5. Now the assessee is in appeal before this Tribunal

6. We have heard the Id. Departmental Representative and perused the record placed before us. Assessee has been denied benefit of section 80P(2)(d) of the Act for the interest earned from Cooperative Bank amounting to Rs.3,69,980/-. The issue under consideration is no more *res integra* by virtue of series of decisions by this Tribunal holding that interest income from Cooperative Banks which are basically Cooperative Societies are allowable as deduction to the assessee u/s.80P(2)(d) of the Act.

7. Recently, this Tribunal in the case of *Annapurna Nagari Sahkari Pathsanstha Maryadit Yawal in ITA No.2471/PUN/2024 order dated 24.03.2025* has decided the issue in favour of the assessee observing as follows :



“7. We have heard both the sides and perused the record placed before us. In the instant case, the Assessing Officer disallowed the interest income of Rs.1,63,98,998/- earned out of the Fixed deposits/Investments made with Cooperative Banks treating the same as Income from Other Source. Ld.CIT(A) dismissed the appeal in limine without discussing anything on merits of the issues and on the ground that the assessee has not provided plausible explanation for admission of additional evidences.

8. Section 80P(2)(d) of the Act provides that the sum received in respect of any income by way of interest or dividend derived by Cooperative Society from its investment with any other Cooperative Society, the whole of such income is eligible for deduction u/s.80P of the Act. we find that this issue is no more res integra as the Coordinate Benches of this Tribunal has been consistently holding that the interest income earned out of the FDs/Investments kept with Cooperative Banks is allowable u/s.80P(2)(d) of the Act. We find that this Tribunal in case of Kolhapur District Central Co-op. Bank Kanista Sevakanchi Sahakar Pat Sanstha Ltd., Vs. ITO in ITA No.1365/PUN/2023, dated 01.01.2024 dealing with similar issue after placing reliance on another decision of this Tribunal in the case of The Ugar Sugar Works Kamgar & Dr. Shirgaokar Shaikshanik Trust Nokar Co-op Credit Society vs. ITO in ITA No.84/PAN/2018, dated 27.05.2022 has held that the interest earned from deposits with Cooperative Banks are also eligible for deduction u/s.80P(2)(d) of the Act as Cooperative Banks are basically Cooperative Societies only but have turned into Bank on getting necessary banking license.

9. Respectfully following the above referred decisions taking consistent view along with considering the facts of the case, where the assessee made investment with the Cooperative Banks we hold that the assessee is eligible for deduction u/s.80P(2)(d) of the Act for the interest income earned from Cooperative Banks at Rs.1,63,98,998/-. Findings of the ld. CIT(A) is set-aside and the Assessing Officer is directed to allow the claim made by the assessee. Effective grounds of appeal raised by the assessee are allowed.”



8. Respectfully following the above decision, the claim made by the assessee u/s.80P(2)(d) at Rs.3,69,980/- for interest earned from Cooperative Bank stands allowed. Finding of ld.CIT(A) is set aside and Grounds of appeal raised by the assessee are allowed.

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

Order pronounced on this 14th day of May, 2025.

Sd/-
(VINAY BHAMORE)
JUDICIAL MEMBER

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 14th May, 2025.
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.