

आयकर अपीलिय अधिकरण "एस एम सी" न्यायपीठ पुणे में ।
IN THE INCOME TAX APPELLATE TRIBUNAL "SMC" BENCH, PUNE

BEFORE Dr. MANISH BORAD, ACCOUNTANT MEMBER
AND
MS. ASTHA CHANDRA, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.221/PUN/2025
निर्धारण वर्ष / Assessment Year: 2018-2019

Manorama Multi State Co-operative Credit Society Limited, Plot No. 4, Manorama Complex, Kotnis Nagar, Bijapur Road, Solapur-413004 Maharashtra PAN-AACAM5968L Appellant	Vs	ITO, Ward-1(1), Solapur Respondent
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Assessee by	:	Pramod S Shingte
Revenue by	:	Shri Akhilesh Srivastava, Additional CIT
Date of hearing	:	24.04.2025
Date of pronouncement	:	29.04.2025

आदेश/ORDER

PER DR. MANISH BORAD, ACCOUNTANT MEMBER :

This appeal at the instance of assessee pertaining to Assessment Year 2018-19 is directed against the order passed by CIT(A) National Faceless Appeal Centre, (NFAC) Delhi u/s 250 of the Income-tax Act, 1961 dated 06.01.2025 which in turn is arising out of the Assessment Order passed u/s 143(3) dated 31.03.2021.

2. Assessee has raised following grounds of appeal:-

1. On the facts and in the circumstances of the case and in law learned Assessing Officer erred in disallowing deduction u/s 60P(2)(a)(1) for Rs. 42,07,751/ It is your Appellante contention that it is part and parcel of business income of providing credit facility to the members of the society.

2. Without prejudice to above ground, on the facts and in the circumstances of the case and in law learned Assessing Officer erred in not allowing consequential deduction of current year loss, which would have arisen after taking out the interest figure of Rs. 42,07,751 from the Profit and loss A/c which has resulted into excess tax liability.

3. On the facts and in the circumstances of the case and in law the learned Assessing Officer erred in treating the interest received from investment as income from other sources by rejecting appellant's contention that said interest income is integral part of business activity and your appellant prays for cancellation of Assessing officer's action

4. Without prejudice to above ground, on the facts and circumstances of the case and in the law Learned Assessing Officer erred in not allowing the deduction under section 80P(2)(d) on interest income received from other co-operative society. Your appellants pray for allowing of the same.

5. Without prejudice to above ground, on the facts and circumstances of the case and in the law Learned Assessing Officer erred in treating entire interest income as interest income received from other co-operative society or bank without allowing deduction on account of interest/administrative expenses. Your appellant prays for such deduction.

Your appellant prays for deletion of entire addition. Your appellant craves for to add, alter amend, modify, delete any or all grounds of appeal before or during the course of hearing in the interest of natural justice.

3. The only grievance of the assessee is that the lower authorities erred in not allowing the claim of deduction u/s 80P(2)(d) of the Act for interest income received from Co-operative Banks/Societies.

4. We have heard rival contentions and perused the record placed before us. We observe that the assessee is a Multi State Co-operative Society and income of Rs. NIL declared in the Return for A.Y. 2018-19 filed on 11.10.2018 in this return. Deduction u/s 80P(2)(a)(i) of the Act has been claimed at Rs. 42,07,751/- which is the total Business income for the year.

5. Before us Ld. counsel for the assessee stated that in the year under consideration assessee earned interest income of Rs. 2,74,64,426/- out of which excluding the interest of Rs. 7,794/- received from Bank of Maharashtra, the remaining amount is

the interest from investment with Co-operative Banks and the same is eligible for deduction u/s 80P(2)(d) of the Act. In the light of *Plethora* of decisions of this Tribunal including that of *Kolhapur District Central Co-operative Banks Kanista Sevakanchi Sahakar Pat Sanstha Ltd. in ITA No. 1635/PUN/2023 dated 01.01.2024*, consistent view has been taken that interest from Co-operative Bank is similar to the interest earned from Co-operative Societies because Co-operative Banks are basically Co-operative Societies only and therefore interest earned from Co-operative Banks also deserve to be allowed as deduction u/s 80P(2)(d) of the Act. Before us Ld. DR failed to controvert the contentions raised by Ld. counsel for the assessee.

6. We therefore considering the facts and circumstances of the case are of the consistent view that out of the total business income for the year at Rs. 42,07,751/-, assessee is eligible for deduction u/s 80P(2)(d) of the Act at Rs. 41,99,963/- and the remaining amount of Rs. 7,794/- which is the income from Bank of Maharashtra is not allowable as deduction u/s 80P is hereby confirmed. Thus grounds of appeal raised by the assessee are partly allowed.

7. In the result, appeal of the assessee is partly allowed.

Order pronounced on this 29th day of April, 2025.

Sd/-
(ASTHA CHANDRA)
JUDICIAL MEMBER

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे/ Pune; दिनांक / Dated: 29th April, 2025.

Neeta

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, "SMC" बेंच,
पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

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