

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'A' BENCH, CHENNAI**

श्री जॉर्ज जॉर्ज के, उपाध्यक्ष एवं श्री एस.आर.रघुनाथा, लेखा सदस्य के समक्ष  
**BEFORE SHRI GEORGE GEORGE K, VICE PRESIDENT AND**  
**SHRI S.R. RAGHUNATHA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.:363/Chny/2025  
निर्धारण वर्ष / Assessment Year: 2020-21

Income Tax Officer, Non-Corporate Ward -7(3), Chennai – 600 034.	vs.	Tamilnadu Special Police Employees Cooperative, Avadi, Chennai – 600 054.
(अपीलार्थी/Appellant)		<b>[PAN:AAFAT-0366-E]</b> (प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Ms. Sita Krishnamoorthy, J.C.I.T.  
प्रत्यर्थी की ओर से/Respondent by : Shri. G. Reddi Prakash, C.A.

सुनवाई की तारीख/Date of Hearing : 12.06.2025  
घोषणा की तारीख/Date of Pronouncement : 15.07.2025

**आदेश / O R D E R**

**PER S. R. RAGHUNATHA, AM:**

This appeal by the revenue is filed against the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, for the assessment year 2020-21, dated 11.10.2024.

2. At the outset, we find that there is a delay of 34 days in appeal filed by the revenue, for which petition for condonation of delay along with reasons for delay has been filed. After considering the petition filed by the revenue and also hearing both the parties, we find that there is a reasonable cause for the revenue in not filing appeal on or before the due date prescribed under the law and thus,

in the interests of justice, we condone delay in filing of appeal and admit appeal filed by the revenue for adjudication.

3. The brief facts of the case are that the assessee is a cooperative society formed with the objective providing of credit facilities to its members. The assessee filed its return of income on 21.12.2020 declaring a gross total income of Rs.4,60,14,015/- and total income of Rs.Nil after claiming a deduction of Rs.4,60,14,015/- u/s.80P(2)(a)(i) of the Act. The case was selected for complete scrutiny under CASS and issues statutory notice to the assessee accordingly. On perusal of submissions made by the assessee, the Assessing Officer(AO) found that the assessee has earned income by way of interest and dividend from Kancheepuram Central Cooperative Bank amounting to Rs.30,87,251/- and Rs.1,49,78,600/- respectively and issued a show cause notice as to why income of Rs.1,83,44,052/- shown as miscellaneous income should not be treated as income from other sources to bring it to tax. The assessee filed its submissions on 23.03.2022 stating that the income in the form of interest and dividend earned from the Kancheepuram Central Bank Limited out of the deposits made in compliance with the provisions of cooperative society act itself. Therefore, the claim of deduction u/s.80P(2)(a)(i) by including the above said interest and dividend is in accordance with law. Further, the assessee submitted that relying on the following decisions of various courts and stated that the said interest and dividend is also eligible for deduction u/s.80P(2)(d) of the Act since the said income has been earned from the cooperative banks.

- i. *Surendranagar District Co-op. Milk Producers Union Ltd Vs DCIT [2019] 111 taxmann.com 69 (Rajkot - Trib.)*

- ii. *Shree Mahadeshwar Sahakari Patpedhi Maryadit Vs. ITO (ITA/No.374/Mum/2018).*
- iii. *Kaliandas Udyog Bhavan Premises Co-operative society Ltd Vs.ITO-21(2) (1) (ITA No. 6547/Mum/2017).*
- iv. *Land and Cooperative Housing Society Ltd. Vs. ITO (2017) 46 CCH 52 (Mum).*
- v. *ITO Vs. Shree Keshorai Patan Sahakari Sugar Mill ITA Nos. 418 & 419/JP/2017 (Jaipur).*
- vi. *M/s C. Green Cooperative Housing and Society Ltd. Vs. ITO21(3)(2), Mumbai (ITA No. 1343/Mum/2017, dated 31.03.2017*
- vii. *Marwanjee Cama Park Cooperative Housing Society Ltd. Vs. ITO-Range-20(2)(2), Mumbai (ITA No. 6139/Mum/2014, dated 27.09.2017.*

4. However, the Assessing Officer was not convinced with the reply filed by the assessee and disallowed the claim of interest and dividend to the tune of Rs.1,80,65,851/- earned from the deposits / investments made in the Kancheepuram Central Cooperative Bank Limited by holding as under:

7. *In the present case, the interest and dividend income claimed for deduction under Section 80P(2)(a)(i) of the Act is not the interest or dividend received from the members for providing credit facilities to them. In this connection, we may analyze Section 80P of the Act. This section comes in Chapter VI-A, which, in turn, deals with "Deductions in respect of certain Incomes". The Headnote to Section 80P indicates that the said section deals with deductions in respect of income of cooperative Societies. Section 80P(1), inter alia, states that where the gross total income of a cooperative Society includes any income from one or more specified activities, then such income shall be deducted from the gross total income in computing the total taxable income of the assessee-Society. An income, which is attributable to any of the specified activities in Section 80P(2) of the Act, would be eligible for deduction. The word "income" has been defined under Section 2(24)(i) of the Act to include profits and gains. This sub-section is an inclusive provision. The Parliament has included specifically "business profits into the definition of the word "income". Therefore, we are required to give a precise meaning to the words "profits and gains of business" mentioned in Section 80P(2) of the Act. In the present case, as stated above, assessee-Society invested funds, Reserve Fund, not immediately required for business purposes. Interest on such investments and dividend income there from, therefore, cannot fall within the meaning of the expression "profits and gains of business". Such interest income cannot be said also to be attributable to the activities of the society, namely, carrying on the business of providing credit facilities to its members. When the assessee-Society provides credit facilities to its members, it earns interest income. However, here we are only concerned with interest which accrues on funds not required immediately by the assessee(s) for its business purposes and which have been only invested as*

"investment." It may also be mentioned here that the words 'the whole of the amount of profits and gains of business in Section 80P(2) of the I.T. Act emphasizes that the income in respect of which deduction is sought by the Co-operative society must constitute the operational income and not the other income which accrues to the society. In this case, the assessee Society has claimed that it earns interest on Reserve funds and dividend from the investment in Kanchipuram Central Co-operative Bank Ltd. Reserve Fund means funds which are not required for business purposes at the given point of time.

8. Apart from that as per latest decision of the Honourable Supreme Court in the case of the Mavilayi Service Cooperative Bank Ltd. & Ors. Vs CIT in CIVIL APPEAL NO.8315 OF 2019 dated 12th January, 2021. Clause (g) Eighthly, sub-clause (d) says **in that interest or dividend income derived by a co-operative society from investments with other co-operative societies**", are also entitled to deduct the whole of such income.

As per supreme court decision interest or dividend income derived by a co-operative society from investments with other co-operative societies' is eligible to claim deduction u/s 80P(2)(a)(i). In the case of assessee interest income and dividend income arising on the Reserve Fund deposited with **Kanchipuram Central Co-operative Bank Ltd.** As per the official website of the Kanchipuram Central Co-operative Bank Ltd., it is found that this entity is not a cooperative society, but it is a **cooperative bank**, which has been granted license under Section 22 of Banking Regulation Act of 1949 to do banking business in the year 1995. Kanchipuram Central Co-operative Bank Ltd. is Co-operative Bank (Private Bank). Kanchipuram Central Co-operative Bank Ltd is not a co-operative society. In view of this fact and in light of the decision of the Supreme Court in the case of M/s. The Mavilayi Service Coop. Bank Ltd. & Ors. vs. CIT. Civil Appeal Nos. 7343-7350 of 2019 dated 12/01/2021, wherein the co-operative banks are excluded from the ambit of section 80P of the Act. Therefore as per Honourable Supreme Court in the case of the Mavilayi Service Cooperative Bank Ltd. & Ors, assessee is not eligible to claim deduction u/s.80P(2)(a)(i) on interest income and dividend income arising on the Reserve Fund deposited with Kanchipuram Central Co-operative Bank Ltd. amounting to Rs.1,80,65,851/-. Hence, the deduction of Rs.1,80,65,851/- claimed by assessee u/s 80P(2)(d) of the Act during the year on the Interest income on Reserve Fund and savings and dividend earned during the year from the Kanchipuram Central Co-operative Bank Ltd. treated as income for the year under consideration.

9. In view of the above discussion, it is held that this income does not fall within the meaning of expression "Profits and Gains of Business" as the same cannot be said to be attributable to the activities of the society of providing credit facilities to its members. Therefore the income earned by the assessee is nothing but "Income from Other Sources liable to be taxed. On the facts and circumstances of this case, interest income and dividend income falls in the category of "Other Income" under Section 56 of the Act. Thus, it may be made clear that what is sought to be taxed under Section 56 of the Act is the interest income and dividend income arising on the Reserve Fund deposited with Kanchipuram Central Co-operative Bank Ltd. Accordingly an amount of

*Rs. 1,80,65,851/- is held as Income from Other Sources and added to the total income of the assessee.*

5. Aggrieved by the order of the AO, the assessee preferred an appeal before the Id.CIT(A) in NFAC on 13.10.2022 by filing the grounds of appeal to allow the deduction u/s.80P(2)(a)(i) of the Act. The assessee filed additional grounds on 01.03.2023. The interest and dividend earned from the investments made in the Kancheepuram Central Bank Limited are deductible u/s.80P(2)(a)(i) and also u/s.80P(2)(d) of the Act. The assessee filed a detailed submission before the Id.CIT(A). The Id.CIT(A) relying on the decision of the coordinate bench of ITAT allowed the appeal of the assessee by holding as under:

*“6.2.4. During the course of appellate proceedings, the appellant submitted the decision of Hon'ble ITAT 'C (SMC) Bench, Chennai in ITA No. 65/CHNY/2023 for A. Y. 2018-19 in the case of SIDCO Employees Co-operative Thrift and Credit Society Ltd. Vs. ITO, Ward 19(4), Chennai dated 27.02.2023. This decision has similar facts to that of the appellant and the same is quoted below.*

*“2. The only issue in this appeal of assessee is as regards to the order of CIT(A) confirming the action of AO disallowing the claim of deduction u/s.80P of the Act in regard to interest and dividend income earned from Chennai Central Co-operative Bank, which is a co-operative society. For this, assessee has raised the following Ground Nos. 3 & 4:-*

*3. Ld. AO and Ld. CIT(A) erred in disallowing the deduction claimed u/s. 80P. Both the Assessing Officer and the CIT(A) failed to appreciate that the relevant interest and dividend are deductible not only u/s 80P(2)(a)(i) but also u/s 80P(2)(d).*

*4. The Ld. Assessing Officer and the CIT(A) failed to appreciate that the Chennai Central Cooperative Bank is a Co-Operative Society as well as a Bank. They should have appreciated that the interest and dividend from such Cooperative Bank is eligible for deduction under section 80P(2)(d) of the Act.*

*3. Brief facts are that the assessee in a Cooperative Society registered under Tamil Nadu Co-operative Societies Act and it has filed its return of Income for the assessment year 2018-19 admitting 'nil' taxable Income after claiming deduction u/s. 80P of the Act. The case was selected for scrutiny and assessment was completed by National e-Assessment Centre, Delhi as per the recent faceless Central Cooperative Bank is a Co-Operative Society as well as a Bank. They should have appreciated that the interest and dividend from such Cooperative Bank is eligible for deduction under section 80P(2)(d) of the Act. assessment procedure. The assessee explained that the Statutory Reserve Fund and Statutory Bad Debit Reserve Fund*

were invested as FD with Chennai Central Cooperative Bank (CCC Bank). It also Invested in CCC Bank share capital for obtaining loan for business purpose, The assessee claimed the interest and dividend on such investment are deductible not only u/s. 80P(2)(a)(i) but u/s.80P(2)(d) of the Act. The AO while framing assessment noted that the deposit from members and available funds which are not utilized for banking / co-operative facilities to members have been parked in various investments. The AO noted that these investments are for fixed period and these Investments cannot be utilized before maturity for the business of the society. Therefore, the AO computed the income on these investments at Rs.6,28,016/- and disallowed the claim of deduction made u/s 80P(2)(a)(i) of the Act. Aggrieved, assessee preferred appeal before CITIA).

4. The CIT(A) following the decision of Hon'ble Karnataka High Court in the case of PCIT vs. Totagars Co-operative Sale Society, (2017) 395 ITR 611 (Karnataka) confirmed the disallowance. Aggrieved, assessee preferred appeal before the Tribunal

5. I have heard rival contentions and gone through the facts and circumstances of the case. Admittedly, the assessee is a Co-operative Society registered under Tamil Nadu Co-operative Societies Act. The Chennai Central Co-operative Bank previously known as The Madras District Cooperative Central Bank Ltd., was registered as a Cooperative Society and as a District Central Cooperative Bank, it caters to the needs of the Primary Cooperative Societies and Cooperative Wholesale Stores and other Cooperatives in Chennai city. Once the assessee is a Co-operative Society and it has deposited the funds with District Central Co-operative Bank which a registered under Co-operative Society Act of Tamil Nadu, the same is eligible for claim of deduction in view of the decision of the Hon'ble Supreme Court in the case of Mavilayi Service Co-operative Bank Ltd., & Ors. Vs. CIT, 123 Taxmann.com 161 (SC). Similar view has been taken by the Tribunal in the case of Tamilnadu Co-operative State Agriculture and Rural Development Bank Limited in ITA Nos.31 to 33/CHNY/2021 vide order dated 29.04.2022 following the decision of Hon'ble Supreme Court in the case of Mavilayil Service Co-operative Bank Ltd, supra and the Hon'ble Madras High Court in the case S-1308, Ammapet Primary Agricultural Co-operative Bank Lid, in T.C.A. Nos. 882 and 891 of 2018. Respectfully following the same, I allow the claim of deduction u/s.80P(2)(a)(i) of the Act. Accordingly, the appeal of the assessee is allowed.

6. In the result, the appeal filed by the assessee is allowed.

Order pronounced in the open court on 27th February, 2023 at Chennai."

6.2.5. The above of Jurisdictional ITAT's decision is considered and it is seen that the facts of the above decision and that of the appellant are similar and the Hon'ble ITAT in its decision has come to the conclusion that appellant being a co-operative society and has deposited the funds with District Central Co-operative Bank, and received interest and dividend which are eligible for deduction u/s 80P(2)(a)(i)."

6. Aggrieved by the order of the Id.CIT(A), NFAC, the revenue preferred an appeal before us. The Id.DR submitted that the Id.CIT(A) has failed to appreciate that assessee has not earned interest and dividend from any other cooperative

society but from the cooperative bank where the assessee has sparked some of its funds and hence, as deduction u/s.80P(2) is not eligible. The decision of the coordinate bench in the case of *SIDCO Employees Co-operative Thrift and Credit Society Vs. ITO, Ward – 19(4), Chennai in ITA No.65/Chny/2023 dated 27.02.2023* is distinguishable from the facts of the present case of the assessee and hence, prayed for setting aside the order of the Id.CIT(A) by confirming the addition made by the Assessing Officer.

7. Per contra, the Id.AR for the assessee submitted that the Kancheepuram Central Cooperative Bank Limited is primarily a cooperative society and hence, the earnings of interest and dividend from such cooperative bank is to be treated as earning from another cooperative society and hence, eligible for deduction u/s.80P(2)(d). To buttress the claim of the assessee, the Id.AR submitted a copy of the certificate issued by the cooperative department, Government of Tamil Nadu, wherein, Kancheepuram Central Cooperative Bank Limited was registered as a cooperative society. Further, the assessee relied on the decision of Hon'ble High Court of Madras in the case of *Thorapadi urban Co-op Credit Society Limited vs. ITO, Vellore in W.P.Nos.11172, 11174, 11177 and 11180 of 2023 and W.M.P.Nos.11034, 11038, 11044 and 11048 of 2023 dated 10.10.2023*, wherein, the Hon'ble Court has stated that any Co-operative Society derived income by way of interest from investment made in any other co-operative bank which was registered under the Tamil Nadu Co-operative Societies Act, 1983, the whole of such interest is eligible for deduction. The relevant extract is given below:

9. A reading of the above said provision makes it clear that in the event if any Co-operative Society derived income by way of interest from investment made in any other Co-operative Society the whole such interest is eligible for

deduction. Now the issue is as to whether the Co-operative Bank would fall within the purview of the term 'Co-operative Society'. In the present case, the petitioner produced a document to show that the Co-operative Bank, where they have made investments was registered under the Tamil Nadu Co-operative Societies Act, 1983 on 20.5.2003. In this regard, he also produced a copy of the Certificate of Incorporation of the said Co-operative Bank. Therefore, it is clear that the investment made by the petitioner is a Co-operative Bank registered under the Co-operative Societies Act. The Income Tax Act, 1961 has also defined 'Co-operative Society' under Section 2(19) as follows:

"2(19). "Co-operative society" means a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912), or under any other law for the time being in force in any State for the registration of co-operative societies.

10. A reading of the above definition would make it clear that 'Co-operative Society' means a Co-operative Society registered under Co-operative Societies Act, 1912. Thus, a Co-operative Society referred therein is only a co-operative society as defined under the Act, be it a Co-operative Society carrying on banking business or Co-operative Society carrying on the other businesses or a Co-operative bank.

11. The learned counsel for the respondent referred to the judgment of the Hon'ble Supreme Court rendered in *Totgars Co-operative Sale Society Ltd., v. Income-tax Officer, Karnataka*, wherein the issue came up for consideration as to whether the interest income received by a Co-operative Bank from its members by way of providing the credit facilities to its members is eligible for deduction or not. Ultimately the Hon'ble Supreme Court found that under Section 80P(2)(a)(i), the same is eligible for deduction. Therefore, the law laid down by the Hon'ble Supreme Court is not applicable for in the present case as the eligibility of deduction of interest has to be decided under Section 80P(2)(d) and not under Section 80P(2)(a)(i). The learned counsel has also relied upon other judgments which are not applicable for the present facts of the present case.

12. At this juncture, it would be appropriate to refer a judgment passed by a Division Bench of this Court in *Commissioner of Income Tax Salem v. The Salem Agricultural Producers Co-operative Marketing Society Ltd* in Tax Case Appeal No.5 of 2015, wherein, apart from other substantial issues, the following issue has been framed for consideration, which reads as under:

"Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the assessee is to be treated as primary agricultural society and is carrying on the business of banking or providing credit facilities to its members and is entitled for deduction under Section 80P(2)(a)(i) of the Income Tax Act, 1961 with respect to the interest received from Class B members who were involved in non-agricultural society?"

While answering to the above, the Division Bench held that the respondent therein, which is a Co-operative society, is entitled to avail the benefit under 80P(2)(d) of the Act. The judgment was rendered on 10.08.2016, where the judgement rendered by the Hon'ble Supreme Court in 2010 was considered.

*13. In such view of the matter, since the impugned orders are passed without considering all these aspects, this Court is of the view that the same are liable to be set aside. Accordingly, the Writ Petitions are allowed and all the impugned notices are set aside. No costs. Consequently, all the connected miscellaneous petitions are closed.”*

8. Therefore, the Id.AR submitted that there is no reason to interfere in the orders of the Id.CIT(A) in allowing the deduction claimed u/s.80P of the Act and hence prayed for dismissing the appeal of the revenue.

9. We have heard both the parties, perused materials available on record and gone through orders of the authorities below. Admittedly, the assessee is a cooperative society filed its return of income on 21.12.2020 declaring a gross total income of Rs.4,60,14,015/- and total income of Rs.Nil after claiming a deduction of Rs.4,60,14,015/- u/s.80P(2)(a)(i) of the Act. During the assessment proceedings the AO found that the assessee has earned income by way of interest and dividend from Kancheepuram Central Cooperative Bank amounting to Rs.30,87,251/- and Rs.1,49,78,600/- respectively and disallowed the claim u/s.80(2)(d) of the Act of interest and dividend to the tune of Rs.1,80,65,851/- earned from the deposits / investments made in the Kancheepuram Central Cooperative Bank Limited, since the co operative bank is not a cooperative society.

10. On appeal filed by the assessee, the Id.CIT(A) relying on the decision of the coordinate bench of ITAT allowed the appeal of the assessee relying on the decision of Chennai Tribunal in ITA No. 65/CHNY/2023 for A.Y. 2018-19 in the case of SIDCO Employees Co-operative Thrift and Credit Society Ltd. Vs. ITO, Ward 19(4), Chennai dated 27.02.2023, wherein the Tribunal categorically

confirmed that "Once the assessee is a Co-operative Society and it has deposited the funds with District Central Co-operative Bank which is registered under Co-operative Society Act of Tamil Nadu, is eligible for deduction u/s.80P(2)(a)(i) of the Act.

11. We find that the issue of allowability of deduction u/s.80P of the Act in respect of Interest and dividend earned from the deposit / investments made in the District credit cooperative bank has already been decided in favour of the assessee in catena of the decisions of the hon'ble High courts and Tribunals. The Hon'ble High Court of Madras in the case of *Thorapadi urban Co-op Credit Society Limited vs. ITO, Vellore in W.P.Nos.11172, 11174, 11177 and 11180 of 2023 and W.M.P.Nos.11034, 11038, 11044 and 11048 of 2023 dated 10.10.2023*, has confirmed that any Co-operative Society derived income by way of interest from investment made in any other co-operative bank which was registered under the Tamil Nadu Co-operative Societies Act, 1983, the whole of such interest is eligible for deduction. The relevant extract is given below:

9. *A reading of the above said provision makes it clear that in the event if any Co-operative Society derived income by way of interest from investment made in any other Co-operative Society the whole such interest is eligible for deduction. Now the issue is as to whether the Co-operative Bank would fall within the purview of the term 'Co-operative Society'. In the present case, the petitioner produced a document to show that the Co-operative Bank, where they have made investments was registered under the Tamil Nadu Co-operative Societies Act, 1983 on 20.5.2003. In this regard, he also produced a copy of the Certificate of Incorporation of the said Co-operative Bank. Therefore, it is clear that the investment made by the petitioner is a Co-operative Bank registered under the Co-operative Societies Act. The Income Tax Act, 1961 has also defined 'Co-operative Society' under Section 2(19) as follows:*

*"2(19). "Co-operative society" means a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912), or under any other law for the time being in force in any State for the registration of co-operative societies.*

10. A reading of the above definition would make it clear that 'Co-operative Society' means a Co-operative Society registered under Co-operative Societies Act, 1912. Thus, a Co-operative Society referred therein is only a co-operative society as defined under the Act, be it a Co-operative Society carrying on banking business or Co-operative Society carrying on the other businesses or a Co-operative bank.

11. The learned counsel for the respondent referred to the judgment of the Hon'ble Supreme Court rendered in *Totgars Co-operative Sale Society Ltd., v. Income-tax Officer, Karnataka*, wherein the issue came up for consideration as to whether the interest income received by a Co-operative Bank from its members by way of providing the credit facilities to its members is eligible for deduction or not. Ultimately the Hon'ble Supreme Court found that under Section 80P(2)(a)(i), the same is eligible for deduction. Therefore, the law laid down by the Hon'ble Supreme Court is not applicable for in the present case as the eligibility of deduction of interest has to be decided under Section 80P(2)(d) and not under Section 80P(2)(a)(i). The learned counsel has also relied upon other judgments which are not applicable for the present facts of the present case.

12. At this juncture, it would be appropriate to refer a judgment passed by a Division Bench of this Court in "*Commissioner of Income Tax Salem v. The Salem Agricultural Producers Co-operative Marketing Society Ltd*" in Tax Case Appeal No.5 of 2015, wherein, apart from other substantial issues, the following issue has been framed for consideration, which reads as under:

*"Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the assessee is to be treated as primary agricultural society and is carrying on the business of banking or providing credit facilities to its members and is entitled for deduction under Section 80P(2)(a)(i) of the Income Tax Act, 1961 with respect to the interest received from Class B members who were involved in non-agricultural society?"*

While answering to the above, the Division Bench held that the respondent therein, which is a Co-operative society, is entitled to avail the benefit under 80P(2)(d) of the Act. The judgment was rendered on 10.08.2016, where the judgement rendered by the Hon'ble Supreme Court in 2010 was considered.

13. In such view of the matter, since the impugned orders are passed without considering all these aspects, this Court is of the view that the same are liable to be set aside. Accordingly, the Writ Petitions are allowed and all the impugned notices are set aside. No costs. Consequently, all the connected miscellaneous petitions are closed."

12. Therefore, in the present facts and circumstances of the case and respectfully following the decision of the Hon'ble Madras High Court (supra), we are of the considered view that there is no reason to interfere in the order of the Id.CIT(A) in allowing the assessee's claim of deduction of interest and dividend

u/s.80P(2)(a)(i) of the Act and hence we are inclined dismiss the grounds raised in the appeal of the revenue.

13. In the result the appeal of the revenue is dismissed.

Order pronounced in the court on 15<sup>th</sup> July, 2025 at Chennai.

**Sd/-**  
(जॉर्ज जॉर्ज के)  
**(GEORGE GEORGE K)**  
उपाध्यक्ष /**VICE PRESIDENT**

**Sd/-**  
(एस. आर. रघुनाथा)  
**(S. R. RAGHUNATHA)**  
लेखा सदस्य/**ACCOUNTANT MEMBER**

चेन्नई/Chennai,

दिनांक/Dated, the 15<sup>th</sup> July, 2025

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आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF