



IN THE INCOME TAX APPELLATE TRIBUNAL, RAJKOT BENCH (SMC), RAJKOT  
BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER

आयकरअपीलसं./ITA No. 216 / RJT / 2025  
निर्धारणवर्ष / Assessment Year: (2020-21)

<b>Shree Bantva Sayukta Seva Sahkari Mandali Ltd.,</b>  Subhash Road, Main Bazar, Village: Bantva, Junagadh - 362620	Vs.	<b>Income Tax Officer,</b> Ward-1 Income Tax Office, Bhootnath Chambers, Junagadh - 362001
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: <b>AAGAS7657G</b>		
<b>(Appellant)</b>		<b>(Respondent)</b>

Appellant by : Shri Sumit Shingala, Ld. AR  
Respondent by : Shri Dheeraj Kumar Gupta, Ld. Sr. DR

**Date of Hearing** : 28/08/2025  
**Date of Pronouncement** : 29/08/2025

**आदेश / ORDER**

**Per, Dr. Arjun Lal Saini AM**

Captioned appeal filed by the assessee, pertaining to Assessment Year 2020-21, is directed against the order passed by Learned Commissioner of Income Tax (Appeal), vide order dated 22.10.2024, which in turn arises out of an order passed by the Assessing Officer, dated 26.09.2022, under section 143(3) r.w.s. 144B of the Income Tax Act, 1961.

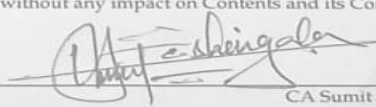
2. When this appeal was called out for hearing, learned Counsel for the assessee, submitted before me a statement showing trading account and profit and loss account, claiming various deductions under section 80P of the Act. The Learner Counsel submitted that assessing officer had disallowed the various deductions, claimed by the assessee, under section 80P of the Act, to the tune of



Rs.31,42,770/-. The assessing officer had allowed the deduction under section 80P(2) ( c ) of the Act, to the tune of Rs.50,000/-. However, other deductions claimed by the assessee, which is mentioned below ( in Trading account and profit and loss account), had not been allowed by the assessing officer.

SHREE BANTVA SAYUKTA SEVA SAHKARI MANDALI LIMITED			
PAN: AAGAS7657G		ITA No. : 216/RJT/2025 AY: 2020-21	
		DOH: 18/08/2025 - Monday [Sr. No. 31] - For Clarification	
Trading A/c. for the Period 01/04/2019 to 31/03/2020			
Expenses	Amount (Rs.)	Incomes	Amount (Rs.)
<u>Opening Stock</u>		<u>Sale (incl. Sales Tax)</u>	
Chemical Fertiliser	21,26,884.00	Fertilisers	35,06,990.58
<u>Purchase A/c-s</u>		<u>Other Incomes</u>	
Fertilisers	18,26,654.99	Rebate A/c.	8,604.76
Loading/Unloading Labour Exp.	4,440.00	<u>Closing Stock</u>	
Licence Fees	1,550.00	Chemical Fertilisers	5,16,442.58
Gross Profit c/f to P&L A/c.	72,508.93		
Total	40,32,037.92	Total	40,32,037.92
Profit & Loss A/c. for the Period 01/04/2019 to 31/03/2020			
<u>Interest Exp.</u>		Gross Profit b/f from Trading A/c.	72,508.93
Int. on Loans obtained from Dist. Co-op Banks/St. Co-op Banks	37,32,365.00		80P (2)(a)(iv)
<u>Administrative &amp; Other Exp.</u>		<u>Int. on Advances</u>	
Salary & Perks	2,04,000.00	Int. Income [Current Advances] <sup>1</sup>	75,61,678.00
PF Contribution Exp.	9,600.00		80P (2)(a)(i)
Gratuity Contribution Exp.	9,000.00	<u>Int. from Investments</u>	
Rent & Electricity	2,885.00	Int. on Deposits with Banks & Institutions	27,362.00
Insurance Expl	7,364.00	Dividends	33,571.00
Legal Exp.	13,500.00	Admission Fees	67.00
Postage and Telephone Exp.	970.00	Other Misc. Incomes	16,043.74
Printing & Stationery Exp.	2,813.00		80P (2)(a)(i) 80P (2)(c)
Travelling Exp.	2,300.00		
Depreciation Exp.	12,883.40		
<u>Other Exp.</u>			
Swagat Exp.	13,050.00		
Bank DD Commission Exp.	131.00		
Profession Tax Exp.	2,400.00		
Misc. Exp.	75,183.14		
Software Exp.	25,000.00		
<u>Provisions</u>			
<u>Provision for NPA</u>			
Provision for Sub-standard Assets	30,226.00		
Provision for Doubtful Assets	35,700.00		
Provision for Int. on Belated Loans	3,21,584.00		
<b>Net Profit</b>	<b>32,10,276.13</b>		
			+ 50,000 =
Total	77,11,230.67	Total	77,11,230.67

This is to Certify that the above is a Free English Translation of Trading A/c. & P&L A/c. of Shree Bantva Seva Sahkari Mandali Limited, Village Bantva, Tal. Manavadar, Dist. Junagadh, having Regn. No. 669 dtd. 22/06/1953 - for the Financial Year 2019-2020. The Formatting is modified, without any impact on Contents and its Contexts, to render better readability.

Translated by:   
CA Sumit Shingala, AR  
Membership No. 124354

Date: 18/08/2025  
Place: Rajkot  
Foot Notes:  
<sup>1</sup> Interest from Members of the Appellant-Society, on Loans advanced to its Members.



3. On appeal by the assessee, the learned CIT(A) had adjudicated the issue, on different footing, altogether, stating that assessee is not eligible to claim deduction under section 80P(2) (d) of the Act, in respect of interest earned by the assessee from Co-operative banks. Hence, assessee is not eligible for deduction under section 80P(2) (d) of the Act. Findings of the learned CIT(A) is reproduced below;

*“4.3.6 As per para 22-23 in Mavilayi case referred above, when a cooperative society becomes cooperative bank after RBI license. The cooperative bank is not a species of genus Cooperative society. Similar discussion can be found in Karnataka High Court order of Totagar Society (2017) 395 ITR 0611. The same was affirmed by Gujarat High Court in Katlary Kiryana (2022) 327 CTR 0128. As far as Gujarat ad Karnataka are concerned it has been held in context of 80P(2)(d) that cooperative banks are not a species of Cooperative society and interest on FD / dividend deposited in cooperative bank is taxable. Respectfully following the decisions as cited above, it is held that the interest earned by the appellant Co-operative society from Co-operative banks is not eligible for deduction u/s 80P(2)(d) of the Act. Therefore the action of the Assessing officer restricting the deduction claimed under sec. 80P is upheld. The grounds of appeal are dismissed.”*

4. Therefore, learned Counsel for the assessee, submitted that in the assessee`s case under consideration, not only the issue pertaining to deduction under section 80P(2)(d) of the Act, exists, but other deductions under section 80P of the Act, are to be allowed, as per the above chart of trading and profit and loss account. Therefore, learned Counsel for the assessee, contended that entire issue involved in the appeal of the assessee, should be restored back to the file of the assessing officer for fresh adjudication.

5. On the other hand, learned DR for the Revenue, did not have any objection, if the appeal of the assessee, is restored back to the file of the assessing officer for fresh adjudication.



6. I have heard both the parties and carefully gone through the submission put forth on behalf of the assessee along with the documents furnished and the case laws relied upon, and perused the fact of the case including the findings of the Id CIT(A) and other materials brought on record. I note that assessee has submitted a complete chart (trading and profit and loss account) showing details of deductions under section 80P of the Act, which is reproduced above. I note that assessing officer has disallowed the various deductions claimed by the assessee under section 80P of the Act. The learned CIT(A) adjudicated the issue on different footing, stating that as if the assessee has claimed the deduction under section 80P(2)(d) of the Act, only, and other various deductions claimed by the assessee, under section 80P of the Act, mentioned in the chart above, have been ignored. Therefore, the above chart submitted by the assessee is additional evidence before the Bench, hence, I am of the view that an opportunity should be given to the assessing officer to examine the above chart, alongwith documentary evidences, and adjudicate the issue in accordance with Law.

7. Therefore, considering the above facts, I am of the view that the assessee did not have proper opportunity of being heard before CIT(A), as the Id.CIT(A), has adjudicated the issue taking into account only one deduction, namely, under section 80P(2) (d) of the Act, whereas, assessee has claimed other deductions also, which are mentioned in the above chart, therefore, order of the Id. CIT(A) dismissing the appeal of the assessee, has to be set aside. The Id. Counsel for the assessee also pointed out that order of CIT(A) may be set aside and the issues raised before CIT(A) be remanded to the assessing officer for fresh consideration. It has also been submitted that at the assessment stage the assessee could not produce proper evidences. The Id. DR did not object to the prayer made by the Id. Counsel for the assessee. I, accept the prayer of the assessee and,



therefore, I set aside the order of CIT(A) and remand the various issues raised by the assessee in the grounds of appeal before CIT(A) for fresh consideration by the assessing officer, with a liberty to the assessee to prove his case by producing sufficient evidence/material to the satisfaction of the assessing officer. For statistical purposes, the appeal of the assessee is allowed.

8. In the result, the appeal of the assessee is allowed, for statistical purposes.

**Order pronounced in the open court on 29/08/2025.**

**Sd/-  
(Dr. A.L. SAINI)  
ACCOUNTANT MEMBER**

Rajkot

(True Copy)

दिनांक/ Date: 29/08/2025

**Copy of the Order forwarded to**

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Rajkot
6. Guard File

By Order

Assistant Registrar/Sr. PS/PS  
ITAT, Rajkot