



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

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.1743/PUN/2025
Assessment Year : 2018-19

Shri Ganesh Nagari Sahakari Patsanstha M. Chiplun T.A. Chiplun, C/o. Balaji Yashwant Chile, At Post Kherdi, Tal. Chiplun, Dist. Ratnagiri – 415605 Maharashtra PAN : AADAS9535Q	Vs.	Income Tax Officer, Ward-1, Ratnagiri
Appellant		Respondent

Appellant by	:	Shri Pramod S. Shingte
Respondent by	:	Shri Ajitesh Meena
Date of hearing	:	14.10.2025
Date of pronouncement	:	29.10.2025

आदेश / ORDER

The captioned appeal at the instance of assessee pertaining to Assessment Year 2018-19 is directed against the order dated 23.05.2025 of National Faceless Appeal Centre, Delhi emanating out of Assessment order dated 21.01.2021 passed u/s.143(3) r.w.s.143(3A) & 143(3B) of the Income Tax Act, 1961.

2. The only grievance of the assessee is that ld.CIT(A) has erred in not allowing the claim of deduction u/s.80P(2)(d) of the Act at Rs.9,11,820/-.

3. At the outset, Ld. Counsel for the assessee submitted that this Tribunal has been consistently holding in plethora of decisions that interest earned from investments held with Cooperative banks/Cooperative Societies is eligible for



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deduction u/s.80P(2)(d) of the Act. He fairly admitted that in the claim of assessee deduction u/s.80P(2)(d) of the Act at Rs.9,11,820/- also includes the interest received from Yes Bank at Rs.1,02,121/- which is not eligible for deduction. However, for the remaining amount of Rs.8,08,698/- the same has been earned from investments with Cooperative banks/Cooperative Societies.

4. On the other hand, ld. DR supported the order of ld.CIT(A) but failed to controvert the contentions putforth by ld. Counsel for the assessee.

5. I have heard the rival contentions and perused the record placed before me. The issue under consideration is no longer longer *res integra* by virtue of catena of decisions taking consistent view that interest income earned from deposits with Cooperative Banks is eligible for deduction u/s.80P(2)(d) of the Act. Recently, this Bench in the case of *Annapurna Nagari Sahkari Pathsanstha Maryadit Yawal Vs. ITO in ITA No.313/PUN/2025, order dated 07.05.2025* has allowed the deduction claimed by the assessee u/s.80P(2)(d) of the Act observing as under :

“5. We have heard the rival submissions and perused the record placed before us. There is no dispute to the fact that assessee has earned interest income of Rs.1,02,95,103/- from deposits/investments with Cooperative Banks. This fact has been accepted by the Assessing Officer in the assessment order also. Admittedly, assessee has not filed the requisite details before ld.CIT(A). We however considering the fact that the issue regarding allowability of deduction u/s.80P(2)(d) of the Act for the interest earned from Cooperative Banks is no longer res integra as the very same issue has been decided by this Tribunal in catena of decisions and in assessee’s own case for A.Y. 2020-21 holding that the assessee is eligible for deduction u/s.80P(2)(d) of the Act as the Cooperative Banks are basically Cooperative Societies. For the sake of brevity, the finding given in ITA No.2471/PUN/2024 is reproduced below:



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“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.”

6. Respectfully following the same, we hold that deduction of Rs.1,02,95,103/- u/s.80P(2)(d) of the Act claimed by the assessee on the interest earned from deposits/Investments with Cooperative Banks deserves to be allowed. Relevant finding of ld.CIT(A) on merits is set aside and grounds of appeal No.5 to 8 raised by the assessee are allowed.”



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6. Considering the above decisions and the consistent view taken by this Tribunal, I hold that the interest income earned from deposits/Investments with Cooperative Bank is eligible for deduction u/s.80P(2)(d) of the Act. However, the details in support of the said same were not placed before the lower authorities. It has been demonstrated by ld. Counsel for the assessee that out of the alleged sum of Rs.9,11,822/- the assessee's claim should be restricted to Rs.8,08,698/- for the deduction u/s.80P(2)(d) of the Act and for necessary verification of the same ld. Jurisdictional Assessing Officer is directed to carry out the exercise and do the needful in accordance with law. I therefore in the given facts and circumstances firstly direct the ld. JAO to examine the details to be filed the assessee after providing reasonable opportunity to the assessee and if found to be correct then allow the claim of deduction u/s.80P(2)(d) of the Act.

7. Here, I would like to make it clear that the claim of deduction u/s.80P(2)(a)(i) of the Act at Rs.22,09,844/- and claim of deduction u/s.80P(2)(c) at Rs.50,000/- has already been allowed by the ld. JAO and the same is not in dispute.

8. In the result, the appeal filed by the assessee is partly allowed.

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

Sd/-

(MANISH BORAD)
ACCOUNTANT MEMBER

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



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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 फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

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