

**IN THE INCOME TAX APPELLATE TRIBUNAL
"D" BENCH, MUMBAI
BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER
AND
SHRI JAGADISH, ACCOUNTANT MEMBER**

**ITA No. 8188/Mum/2025
Assessment Year: 2020-21
&
ITA No. 8189/Mum/2025
Assessment Year: 2022-23
&
ITA No. 8190/Mum/2025
Assessment Year: 2023-24**

Income Tax Officer- 26(1)(1), Mumbai Room No.254, 2 nd Floor Kautilya Bhavan, BKC, Mumbai-400051	Vs.	Reserve Bank Officers Co- operative Credit Society Ltd. 3 rd Floor Amar Building, SIR P M Road Fort, Mumbai-400001 PAN: AAAAR2789N
(Appellant)		(Respondent)

Assessee by	Shri Mandar Vaidya
Department by	Shri Annavaram Kosuri, SR. DR

Date of Hearing	02.03.2026
Date of Pronouncement	04.03.2026

ORDER

Per: SHRI JAGADISH, A.M.:

These three appeals filed by the Revenue are directed against the identical orders ,all dated 18.09.2025 passed by the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi for A.Ys. 2020-21, 2022-23 and 2023-24. Since the issues involved, grounds raised and facts are identical in all the three appeals, they

were heard together and are being disposed of by this consolidated order for the sake of convenience and brevity.

2. The assessee is a Co-operative Credit Society engaged in providing credit facilities to its members. The assessee filed its returns of income declaring Nil income after claiming deduction under section 80P of the Income-tax Act, 1961 ("the Act"). During the course of assessment proceedings completed under section 143(3) of the Act, the Assessing Officer noticed that the assessee had earned interest income from deposits kept with various co-operative banks and claimed deduction under section 80P(2)(d) of the Act in respect of such interest income.
3. The Assessing Officer was of the view that interest income earned from deposits with co-operative banks is not eligible for deduction under section 80P(2)(d). According to the Assessing Officer, in view of the provisions of section 80P(4), co-operative banks stand excluded from the ambit of section 80P and, therefore, interest received from such co-operative banks cannot qualify for deduction. The Assessing Officer also placed reliance on the decision of the Hon'ble Supreme Court in Totagars Co-operative Sale Society Ltd. v. ITO (322 ITR 283) and the judgment of the Hon'ble Karnataka High Court in PCIT v. Totagars Co-operative Sale Society (392 ITR 74). Accordingly, the deduction claimed under section 80P(2)(d) was disallowed and the total income was assessed by bringing the said interest income to tax.
4. Aggrieved, the assessee preferred appeals before the Ld. CIT(A). The Ld. CIT(A), after considering the submissions of the assessee and the judicial precedents relied upon, deleted the disallowances in all the three years by holding that the assessee is a co-operative society and interest income received from investments made with co-operative banks, which are also co-operative societies within the meaning of

section 2(19) of the Act, is eligible for deduction under section 80P(2)(d). The Ld. CIT(A) followed the decision of the co-ordinate Bench of the Tribunal in assessee's own case for earlier assessment years wherein identical disallowances were deleted.

5. The Revenue is in appeal before us in all the three years. The Ld. Departmental Representative reiterated the findings of the Assessing Officer and submitted that the Ld. CIT(A) erred in allowing deduction under section 80P(2)(d) in respect of interest earned from deposits with co-operative banks. It was contended that the judgment of the Hon'ble Karnataka High Court in PCIT v. Totagars Co-operative Sale Society (392 ITR 74) supports the case of the Revenue and that the legislative intent behind insertion of section 80P(4) was to deny the benefit in relation to co-operative banks.
6. Per contra, the Ld. Authorised Representative submitted that the issue is squarely covered in favour of the assessee by the order of the Tribunal in assessee's own case for earlier assessment years, wherein under identical facts the Tribunal upheld the deletion of disallowance made under section 80P(2)(d) in respect of interest received from co-operative banks. It was submitted that there is no change either in facts or in law in the years under consideration and, therefore, the principle of consistency requires that the same view be followed.
7. We have considered the rival submissions and perused the material available on record. The short issue that arises for our consideration in all the three appeals is whether the assessee, being a co-operative credit society, is entitled to deduction under section 80P(2)(d) of the Act in respect of interest income earned from deposits kept with co-operative banks.

8. Section 80P(2)(d) provides that in respect of any income by way of interest or dividends derived by the co-operative society from its investments with any other co-operative society, the whole of such income shall be deducted in computing the total income. It is not in dispute that the assessee is a co-operative society and that the interest income in question has been earned from deposits placed with co-operative banks which are registered as co-operative societies under the relevant Co-operative Societies Act.
9. The contention of the Revenue is based mainly on section 80P(4). On a plain reading of section 80P(4), it is clear that the exclusion applies to a co-operative bank claiming deduction under section 80P. In the present case, the assessee is not a co-operative bank but a co-operative credit society. Therefore, the bar contained in section 80P(4) is not attracted to the assessee. The further question is whether interest received from a co-operative bank can be said to be interest derived from investment with "any other co-operative society" within the meaning of section 80P(2)(d). In our considered view, a co-operative bank, being registered under the Co-operative Societies Act, answers the description of a co-operative society as defined in section 2(19) of the Act.
10. We find that in assessee's own case for earlier assessment years, the co-ordinate Bench of this Tribunal had an occasion to consider the very same issue. After examining the statutory provisions and judicial precedents, the Tribunal upheld the order of the CIT(A) allowing deduction under section 80P(2)(d) in respect of interest received from co-operative banks. The Revenue has not brought on record any material to demonstrate that the said order of the Tribunal has been reversed or stayed by any higher forum.

11. It is a settled position of law that when the facts and circumstances are identical and there is no change in law, the view taken in earlier years in the assessee's own case should be followed in the subsequent years in the interest of consistency. In the absence of any distinguishing feature in the years under consideration, we see no reason to take a different view.
12. In view of the foregoing discussion and respectfully following the decision of the co-ordinate Bench in assessee's own case for earlier years, we uphold the orders of the Ld. CIT(A) in all the three assessment years allowing deduction under section 80P(2)(d) in respect of interest income earned from deposits with co-operative banks. Accordingly, the grounds raised by the Revenue in A.Ys. 2020-21, 2022-23 and 2023-24 are dismissed.
13. In the result, all the three appeals filed by the Revenue are dismissed.

Order pronounced in the open court on 04/03/2026

Sd/-

(NARENDER KUMAR CHOUDHRY)

Judicial Member

Sd/-

(JAGADISH)

Accountant Member

Mumbai, Dated: 04/03/2026

Ankit

Sr. Private Secretary

Copy of the order forwarded to:

1. Appellant
2. Respondent
3. The CIT

4. The CIT (Appeals)
5. The DR, I.T.A.T.

By order

(Assistant Registrar)
ITAT, Mumbai