IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH "B", PUNE

BEFORE SHRI R.S. SYAL, VICE PRESIDENT AND
SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER

ITA No.277/PUN/2022
Assessment Year : 2017-18

Sholapur Dist. Police Employees Credit co.op. Society Flat No. 11/14 Mellenium SDquae, second floor, 165 Railway lines, Solapur – 413 001 PAN: AABAS 7620 J	Vs.	Pr.CIT-4 Pune Pune
Appellant		Respondent

Assessee by	None
Revenue by	Shri Rajarshi Dwivedy
Date of hearing	13-12-2022
Date of pronouncement	-12-2022

ORDER

PER SHRI PARTHA SARATHI CHAUDHURY, JM

This appeal filed by the assessee emanates from the order of the ld. Pr. C.I.T. – 4, Pune dated 21-03-2022 passed u/s.263 of the Income-tax Act, 1961 (hereinafter also called 'the Act') for A.Y. 2017-18.

2. Briefly stated, the facts of the case are that the assessee is a Cooperative credit society engaged in providing credit facilities to its members. The assessee filed return declaring total income at Nil after claiming deduction u/s.80P for a sum of Rs.37,92,216/-. The assessment was completed by the Assessing Officer (AO) u/s.143(3) at the declared income. The ld. PCIT, on examination of records, observed that the assessee claimed deduction u/s.80P to the tune of Rs.37,92,216/- on interest income earned from deposits kept with cooperative societies. He, therefore, opined that, the assessment order, allowing deduction u/s.80P on such interest income, was erroneous and prejudicial to the interest of the Revenue. Setting aside the assessment order, he directed the AO to pass the assessment order afresh as per law after allowing opportunity of hearing to the assessee. Aggrieved thereby, the assessee has approached the Tribunal.

3. None appeared on behalf of the assessee. We have heard the ld. D.R. and perused the material available on record. The assessee is admittedly a Cooperative credit society engaged in providing credit facilities to its members. The ld. PCIT has held the assessment order to be erroneous and prejudicial to the interest of the Revenue only on the ground that the claim of deduction u/s.80P on interest income amounting to Rs.37,92,216/- was not in order. In this regard, it is observed that though co-operative banks, other than primary agricultural credit society or a primary co-operative agricultural and rural development bank, are not eligible for deduction pursuant to insertion of section 80P(4) w.e.f. 1.4.2007, but this provision does not dent the otherwise eligibility u/s 80P(2)(d) of the Act of a co-operative society on interest income on investments/deposits parked with a co-operative bank, which is a registered co-operative society as per section 2(19) of the Act, defining co-operative society to mean a co-operative society registered under the Co-operative Societies Act, 1912 or under any law for the time being in force. The assessee is also a Co-operative society registered.

4. Similar view has been taken by the Pune Benches of the Tribunal in several cases including *The Sesa Goa Employees Coop. Credit Society Ltd. Vs. ACIT (ITA No.203/PUN/2019, order dated 16-11-2022).* In view of the foregoing discussion, we are satisfied that the AO rightly allowed deduction u/s.80P(2)(a) on interest income and the ld. PCIT was not justified in interfering with the same. The impugned order is set aside.

5. In the result, the appeal is allowed.

Order pronounced in the Open Court on 14th December, 2022.

Sd/-	sd/-
(R.S. SYAL)	(PARTHA SARATHI CHAUDHURY)
VICE PRESIDENT	JUDICIAL MEMBER

Pune, dated the14th day December 2022.
Ankam

<u>Copy of the Order is forwarded to</u>:

1. The Appellant;
2. The Respondent;
3. The Pr. CIT – 4, Pune.
4. The CIT concerned
5. DR 'B', ITAT, Pune
6. Guard file

/// TRUE COPY ///   BY ORDER,

Senior Private Secretary
ITAT, Pune

		Date	
1.	Draft dictated on	13-12-2022	Sr.PS
2.	Draft placed before author	13-12-2022	Sr.PS
3.	Draft proposed & placed before the second member		JM
4.	Draft discussed/approved by Second Member.		JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order	14-12-2022	Sr.PS
8.	File sent to the Bench Clerk	14-12-2022	Sr.PS
9.	Date on which file goes to the Head Clerk	14-12-2022	
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

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