



IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES “SMC”, PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.1229/PUN/2025
Assessment Year : 2020-21

Kallapanna Awade Ich Janata Sah. Bank Sevakanchi Sah Patsanstha Maryadit, C/o. Kaijs Bank, Janata Bank Bhavan, Main Road, Ichalkaranji – 415 115 Maharashtra PAN : AAAAK9407A	Vs.	Income Tax Officer, Ward-1, Ichalkaranji
Appellant		Respondent

Assessee by	:	Shri Mayuresh Doshi (Through Virtual)
Revenue by	:	Shri S. Sadananda Singh
Date of hearing	:	16.06.2025
Date of pronouncement	:	17.06.2025

आदेश / ORDER

This appeal filed at the instance of assessee pertaining to the assessment year 2020-21 is directed against the order dated 11.03.2025 of National Faceless Appeal Centre, Delhi passed u/s.250 of the Income-tax Act, 1961 (hereinafter also called ‘the Act’) arising out of the Assessment Order dated 08.09.2022 passed u/s.143(3) r.w.s.144B of the Act.

2. In the instant appeal, assessee has raised following grounds of appeal :

“1. On the facts and in the circumstances of the case and in law, the learned CIT (A) not justified in confirming the disallowance of deduction allowable u/s 80P(2)(a)(i)/ 80P(2)(d) of the Act in respect of interest earned from deposits with cooperative bank.

2. On the facts and in the circumstances of the case and in law, the learned CIT (A) failed to appreciate that the cooperative banks are



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basically cooperative societies, therefore, the interest earned on deposits earned from cooperative banks are also allowable as deduction u/s 80P

3. The appellant craves, to consider each of the above grounds of appeal without prejudice to each other and craves leave to add, alter, delete or modify all or any of the above grounds of appeal.”

3. From the above grounds, sole grievance of the assessee is that ld.CIT(A) erred in not granting the assessee the benefit of deduction u/s.80P(2)(d) of the Act for the interest income earned from investments with Cooperative Banks at Rs.12,53,362/-.

4. At the outset, Ld. Counsel for the assessee submitted that this Hon'ble Tribunal is consistently holding that Cooperative Banks are basically Cooperative Societies and therefore the interest income earned from investments with Cooperative Banks is also eligible for deduction u/s.80P(2)(d) of the Act. Ld. Departmental Representative did not controvert this contention by placing any binding precedent in favour of the Revenue.

5. I have heard the rival contentions and perused the record placed before me. It is an admitted fact that impugned addition is regarding denial of deduction u/s.80P(2)(d) of the Act for the interest income earned from Cooperative Banks namely K.A. Ich Janata Multistate Coop. Bank Ltd., and Kolhapur District Central Coop. Bank Ltd. at Rs.12,53,362/-. Lower authorities have denied the deduction as the above Cooperative banks are not Cooperative Societies.

6. This issue is no 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



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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:

“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



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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."*

7. Respectfully following the same, I hold that deduction claimed by the assessee on the interest income earned from deposits/Investments with K.A. Ich Janata Multistate Coop. Bank Ltd., and Kolhapur District Central Coop. Bank Ltd.u/s.80P(2)(d) of the Act at Rs.12,53,362/- deserves to be allowed. Impugned finding of ld.CIT(A) is set aside and effective Grounds of appeal raised by the assessee are allowed.

8. In the result, appeal of the assessee is allowed.

Order pronounced on this 17th day of June, 2025.

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 17th June, 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