HON'BLE SRI JUSTICE V.RAMASUBRAMANIAN

AND

HON'BLE MS JUSTICE J. UMA DEVI

I.T.T.A.No.669 of 2016

JUDGMENT: (per V. Ramasubramanian, J.)

This is an appeal filed by the Revenue under Section 260A of the Income Tax Act, 1961, raising the following substantial questions of law:

1) Whether, on the facts and in the circumstances of the case, the Hon'ble Tribunal is correct in upholding the order of the CIT(A) deleting the disallowance of deduction claimed U/s. 80P(2)(a)Ii) of the I.T. Act., on interest earned from FDRs, with banks, without appreciating the decision of the Hon'ble Supreme Court in the case of The Totgars Co-operative Sale Society Ltd. V. ITO reported in 322 ITR 0283 : (2010) (SC) wherein it was held that interest income from FDRs with banks cannot be said to be attributable to the activity mentioned in section 80P(2)(a)(i) of the I.T. Act?
2) Whether, on the facts and in the circumstances of the case, the Hon'ble Tribunal is correct in upholding the order of the CIT (A) deleting the disallowance of deduction claimed U/s. 80(2)(a)(i) of the I.T. Act, on interest earned from FDRs with banks, without appreciating the principles laid down by the Hon'ble Supreme Court in the case of M/s. Bangalore club v. DCIT 350 ITR 509?

2. Heard Mr. J.V. Prasad, learned Standing Counsel appearing for the appellant and Mr. A.V. Raghuram, learned counsel appearing for the respondent-assessee.

3. The questions of law raised in these appeals, especially in relation to Cooperative Credit Societies, which earned interest on fixed deposits kept with other banks, has already been decided by us in a batch of writ petitions in W.P.Nos.12727 of 2016 and batch, by judgment dated 15.03.2017. Therefore, following the same, the questions of law are answered in favour of the respondent-assessee and the appeal is dismissed.

4. As a sequel pending miscellaneous petitions, if any, shall stand closed.

V. RAMASUBRAMANIAN, J

J. UMA DEVI, J.

12th April, 2017
Js

HON'BLE SRI JUSTICE V.RAMASUBRAMANIAN

AND

HON'BLE MS JUSTICE J. UMA DEVI

I.T.T.A.No.669 of 2016

(per VRS,J)

___ April, 2017.

Js.