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INCOME-TAX ACT, 2025

D: Profits and gains of business or profession

Section 64 - Special provision for computing deductions in case of business reorganisation of co-operative banks.

(1) The deduction under section 33 or 44 or 52(1) (Table: Sl. No. 1 or 2) shall, in a case where business reorganisation of a co-operative bank has taken place during the tax year, be allowed as per provisions of this section.

(2) The amount of deduction allowable to the predecessor co-operative bank or to the successor co-operative bank or to the converted banking company under section 33 or 44 or 52(1) (Table: Sl. No. 1 or 2) shall be determined as per the formula—

(i) for predecessor co-operative bank:—

$$\frac{A \times B}{C}$$

(ii) for successor co-operative bank or converted banking company:—

$$\frac{A \times D}{C}$$

where,—

A = the amount of deduction allowable to the predecessor co-operative bank, if the business reorganisation had not taken place;

B = the number of days comprised in the period beginning with the 1st day of the tax year and ending on the day immediately preceding the date of business reorganisation; and

C = the total number of days in the tax year in which the business reorganisation has taken place.

D = the number of days comprised in the period beginning with the date of business reorganisation and ending on the last day of the tax year.

(3) The provisions of section 44 or 52(1) (Table: Sl. No. 1 or 2) shall, in a case where an undertaking of the predecessor co-operative bank entitled to the deduction under the said section is transferred before the expiry of the period specified therein to a successor co-operative bank or to a converted banking company on account of business reorganisation, apply to the successor co-operative bank or to the converted banking company in the tax years subsequent to the year of business reorganisation as they would have applied to the predecessor co-operative bank, as if the business reorganisation had not taken place.

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