

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH, COCHIN**

Before Shri Sanjay Arora, AM & Shri Manomohan Das, JM

ITA No.966/Coch/2022: Asst.Year:2017-2018

ITA No.943/Coch/2022: Asst.Year:2018-2019

The Vazhayoor Service Co-operative Bank Limited No.D-1898, Head Office PO Azhinhlam, Malapuram-673 632. [PAN : AACAT5682J]	vs.	The Income Tax Officer Ward – 2 Tirur.
(Appellant)		(Respondent)

Appellant by: Arjun Nedungadi, CA
Respondent by: Ms. J.M. Jamuna Dev, Sr. DR

Date of Hearing : 09.08.2023	Date of Pronouncement: 31.08.2023
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ORDER

Per Bench:

This is a set of two appeals by the Assessee, a cooperative society registered as a primary agricultural credit society (PACS) under the Kerala Cooperative Societies Act, 1969 (Kerala Act), arising out of the first appellate orders dated 21/9/2020 and 30/5/2022 under the Income Tax Act, 1961 ('the Act' hereinafter) confirming its assessments under section 143(3) of the Act for the assessment years (AYs.) 2017-18 and 2018-19 respectively. The issues arising being common, the same were heard together, and are being disposed of per a common order.

2.1 At the outset, it was the common contention of the parties that the issues arising in these appeals are the same as heard by this Bench on 08/8/2023 in *The Adichanalloor Farmers Service Co-operative Bank Limited & Others* (in ITA No. 134/Coch/2019 & others). As such, the decision by the Tribunal therein would apply for the instant appeals as well.

3. The said appeals stand decided by this Bench vide it's order dated 31/8/2023. The issues arising being the same as in the cited appeals, as is indeed the case of the opposing parties, and toward which we have also perused the orders by the Revenue authorities, the said order would equally hold for the instant appeals as well. We extract the last paragraph, bearing the final decision by the Tribunal, of the said order, as under, the reason/s for which are the same as discussed therein:

“6. The matter shall, accordingly, travel to the file of the AO to give effect to our order, as under:

a). income assessed as business income would qualify for deduction u/s. 80P(1) r/w s. 80P(2)(a)(i) to the extent it relates to the eligible activity specified thereunder; and

b). income by way of interest on deposits or dividend, assessed as income from other sources, would be deductible u/s. 80P(1) r/w s. 80P(2)(d) to the extent it relates to income arising from cooperative societies and cooperative banks; and

c). balance income, if any, would be, irrespective of the head of income, taxable.

The income deductible would only be net of expenditure there-against, i.e., as per the provisions of the Act. We decide accordingly.”

We, adopting the said order, decide like-wise.

4. In the result, the assessee's appeals are allowed for statistical purposes.

Order pronounced on August 31, 2023 under Rule 34 of The Income Tax (Appellate Tribunal) Rules, 1963

Sd/-
(Manomohan Das)
Judicial Member

Sd/-
(Sanjay Arora)
Accountant Member

Cochin; Dated: August 31, 2023
Devadas G*

Copy to:

1. The Appellant.
2. The Respondent.
3. The Pr. CIT concerned.
4. The Sr. DR, ITAT, Cochin.
5. Guard File.

Assistant Registrar
ITAT, Cochin