

IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH, COCHIN

Before SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER  
AND  
SHRI AMARJIT SINGH, ACCOUNTANT MEMBER

ITA Nos.487, 488 & 386/Coch/2023

Assessment Years - 2013-14, 2014-15 & 2020-21

Kayamkulam Co-Op. Bank Ltd. Krishnapuram P.O. Alappuza 690533 PAN: AABAK5868L	vs.	The Income Tax Officer Alappuzha
(Appellant)		(Respondent)

Assessee by :	-None-
Revenue by :	Shri Sanjit Kumar Das, CIT-DR & Smt. V. Swarnalatha, Sr. D.R.

Date of Hearing :	14.08.2024
Date of Pronouncement :	23.10.2024

**ORDER**

**PER BENCH :**

These assessee's three appeals arise against orders of the National Faceless Appeal Centre , Delhi [CIT(A)] in proceedings u/s. 250 of the Income Tax Act, 1961 (the Act) as under : -

Sr. No.	ITA No.	AY	DIN & Order No.	Date
1	487/Coch/2023	2013-14	ITBA/NFAC/S/250/2022-23/1050994484(1)	20.03.2023
2	488/Coch/2023	2014-15	ITBA/NFAC/S/250/2022-22/1050993925(1)	20.03.2023
3	386/Coch/2023	2020-21	ITBA/NFAC/S/250/2022-22/1050995639(1)	20.03.2023

Case called twice. None appears at assessee's behest. We accordingly proceed ex-parte against the assessee.

2. We advert to the "lead" assessment year 2013-2014 involving assessee's appeal ITA.No.487/Coch./2023 wherein both the learned lower authorities have made sec.69A unexplained investment addition of Rs.5,37,00,000/- in the course of assessment dated 14.03.2022 as upheld in the learned CIT(A)-NFAC's order.

3. Learned DR vehemently supports the impugned addition on the ground that the assessee has never filed the relevant details either in the assessment or before the lower appellate authority; as the case may be. She fails to dispute the clinching fact that the main reason *prima facie* of the assessee's non-appearance during assessment appears to

be Covid-2019 pandemic outbreak followed by some lapses to this effect in the lower appellate proceedings. Be that as it may, the assessee's case all along is that it had collected the impugned cash deposits from its members only. That being the clinching case, we deem it appropriate to restore the assessee's instant sole substantive ground back to the CIT(A)-NFAC for its afresh appropriate decision after obtaining necessary remand report from the Assessing Officer as per law, subject to a rider that it shall be the taxpayer's responsibility only to plead and prove all the relevant facts in consequential proceedings. Ordered accordingly.

4. This assessee's instant "lead" appeal ITA.No.487/Coch./2023 is allowed for statistical purposes in above terms.

5. Same order to follow in the assessee's appeal ITA.No.488/ Coch./2023 since raising identical sole substantive issue of sec.69A addition of Rs.7.35 crores. Ordered accordingly.

6. This leaves us the assessee's last appeal ITA.No.386/ Coch./2023 wherein both the learned lower authorities have treated its interest income of Rs.2,27,070/- derived from deposits made in District Central Cooperative Bank as not eligible for sec.80P deduction.

7. Learned DR quotes PCIT & Anr. vs. Totagars Cooperative Sales Society [2017] 395 ITR 611 (Kar.) and The Totagars Cooperative Sales Society vs. ITO [2010] 322 ITR 283 (SC) and submitted that the impugned disallowance has been rightly made in assessee's hand.

8. We note in this factual backdrop that hon'ble jurisdictional high court's latest decision in PCIT v. Peroorkada Service Co-op. Bank Ltd. [2022] 442 ITR 141 (Ker) has already settled the issue in assessee's favour and against the department as under : -

*"12.2. Section 80P deals with Co-operative Societies' computation of income. As already noted, it has four sections and several sub-sections and clauses. The*

*Parliament has considered the various situations in which the exigible income and the deductible income of the assessee is considered while computing the income of the assessee. For getting deduction, in our considered view, the assessee must also establish that the interest income earned by the assessee is from a Co-operative Society. As a matter of fact, in the case on hand, there is no dispute that it is not from a Co-operative Society registered under Kerala Co-operative Societies Act. The interest income earned from District Co-operative Bank/State Co-operative Bank, in the facts and circumstances of the case, do come within Section 80P(2)(d). Therefore, the income constitutes income from other sources and the only eligible deduction is covered by Section 80P(2)(d) viz. Interest or dividend derived by the assessee from its investments with any other Co-operative Society. The source of interest income is from Bank and Treasury, interest income received from Treasury be included in the computation of total income of the assessee. In other words, interest earned from*

*Treasury is inadmissible for deduction and interest income from Co-operative Societies registered under the Kerala Co-operative Societies Act are eligible for deduction. The contra consideration of Commissioner of Income Tax (Appeals) and the Tribunal is incorrect and liable to be modified as stated above. Hence, it is held that the interest income earned by the assessee does not come within the ambit of Section 80P(2)(a)(i) and permissible deduction of interest income is limited to Co-operative Societies/Banks registered under Kerala Co-operative Societies Act under clause (d) of the Act and effect order on the above lines is made by the Assessing Officer. The questions are accordingly answered."*

9. We accordingly accept the assessee's last appeal ITA.No.386/Coch./2023 in very terms. Necessary computation shall follow as per law. Ordered accordingly.

10. To sum-up, these assessee's twin appeals ITA.Nos.487 & 487 /Coch./2023 are allowed for statistical purposes and last appeal ITA.No.386/Coch./2023 is allowed

in above terms. A copy of this common order be placed in the respective case files.

Order pronounced in the open court on 23<sup>rd</sup> October, 2024.

Sd/-  
(Amarjit Singh)  
Accountant Member

Sd/-  
(Satbeer Singh Godara)  
Judicial Member

Cochin, Dated: 23<sup>rd</sup> October, 2024

VBP/-

Copy to:

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

By Order

Assistant Registrar  
ITAT, Cochin