

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

**Before Shri Satbeer Singh Godara, Judicial Member &  
Shri Amarjit Singh, Accountant Member**

ITA No.535/Coch/2023 : Asst.Year 2009-2010  
&  
SA No.110/Coch/2023

ITA No.536/Coch/2023 : Asst.Year 2010-2011  
&  
SA No.111/Coch/2023

ITA No.537/Coch/2023 : Asst.Year 2016-2017  
&  
SA No.112/Coch/2023

Chentrappini Service Co-operative Bank Limited No.R 276 Chentrappini PO, Chentrappini Thrissur - 680 687 <b>PAN : AAABAC6722F.</b>	v.	The Income Tax Officer Ward - 2(1) Thrissur.
(Appellant/Applicant)		(Respondent)

Appellant by : Sri.Ramdas M, CA  
Respondent by : Smt.V.Swarnalatha, Sr.DR

<b>Date of Hearing : 14.08.2024</b>	<b>Date of Pronouncement : 23.10.2024</b>
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**ORDER**

**Per Bench :**

These assessee's three appeals ITA Nos.535 to 537/Coch/2023 (alongwith its as many stay applications SA Nos.110-112/Coch/2023 therein), arise against the CIT(A)/NFAC, as many DIN & Order Nos.ITBA/NFAC/S/250/2023-24/1052898209(1) (for asst.year 2009-2010), ITBA/NFAC/S/250/2023-24/1052897110(1) (for asst.year

2010-2011), ITBA/NFAC/S/250/2023-24/1052894077(1) (for asst.year 2016-2017), all dated 17.05.2023, in proceedings u/s.143(3) of the Income-tax Act, 1961; in short "the Act" hereinafter, assessment year-wise, respectively.

Heard both the parties at length. Case files perused.

2. It emerges at the outset that the assessee's appeals raise its identical sole substantive ground claiming sec.80P deduction claim involving various interest income from deposits made in co-operative banks disallowed in both the lower proceedings. Learned CIT-DR vehemently argued that in the light of Totagar's Co-operative Sale Society Ltd. v. ITO reported in (2010) 322 ITR 283 (SC) and Pr.CIT & Anr. v. Totagars Co-operative Sale Society reported in (2017) 395 ITR 611 (Kar.), such an interest income has to be treated as income from "other" sources only. We note that the hon'ble jurisdictional high court in Pr.CIT v. Peroorkada SCB Ltd. [2022] 442 ITR 141 (Ker) has already decided the instant issue in assessee's favour and against the Revenue, 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.”*

3. We adopt the foregoing detailed discussion mutatis mutandis to accept the assessee's instant identical sole substantive ground of sec.80P deduction. Necessary computation shall follow as per law in very terms. Its three appeals ITA No.535/Coch/2023, 536/Coch/2023 & 537/Coch/2023 are allowed and stay applications SA Nos. 110-112/Coch/2023 stand rendered infructuous. A copy of the common order be placed in the respective case files.

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

**Sd/-**  
**(Amarjit Singh)**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**(Satbeer Singh Godara)**  
**JUDICIAL MEMBER**

Cochin ; Dated : 23<sup>rd</sup> October, 2024  
Devadas G\*

Copy to :

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

Asst.Registrar/ITAT, Cochin