

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

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

ITA No.385/Coch/2024 : Asst.Year 2015-2016  
(SA No.137/Coch/2024)

ITA No.388/Coch/2024 : Asst.Year 2016-2017  
(SA No.139/Coch/2024)

ITA No.392/Coch/2024 : Asst.Year 2017-2018  
(SA No.138/Coch/2024)

ITA No.574/Coch/2024 : Asst.Year 2014-2015  
(SA No.140/Coch/2024)

The Kumbadaje Service Co-operative Bank Limited No.383 Movvar, Kumbdaje Kasargod – 671 543. <b>PAN : AABAT8517H.</b>	v.	The Income Tax Officer Ward 1 Kasargod.
(Appellant/Applicant)		(Respondent)

Appellant by : Sri.Suresh Kumar Varma, CA  
Respondent by : Smt.V.Swarnalatha, Sr.DR

<b>Date of Hearing : 23.08.2024</b>	<b>Date of Pronouncement : 07.11. 2024</b>
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**ORDER**

**Per Bench :**

These assessee's four appeals ITA.Nos.385, 388, 392 and 574/Coch./2024 and as many as stay applications S.A.Nos.137, 139, 138 & 140/Coch./2024, for the assessment years 2015-2016, 2016-17, 2017-18 and 2014-215; case-wise, respectively and the relevant particulars are tabulated as under :

Sl. No.	ITA No.	AY	DIN & Order No.	Date
1	385/Coch/2024	2015-2016	ITBA/APL/S/250/2023-24/ 1063251510(1)	23.03.2024
2	388/Coch/2024	2016-2017	ITBA/APL/S/250/.2023-24/ 1063259884(1)	23.03.2024
3	392/Coch/2024	2017-2018	ITBA/APL/S/250/.2023-24/ 1063495053(1)	27.03.2024
4	574/Coch/2024	2014-2015	ITBA/APL/S/250/.2023-24/ 1063413799(1)	26.03.2024

Heard both the parties. Case files perused.

2. We note at the outset with the able assistance coming from both the parties that the CIT(A)'s impugned identical lower appellate discussion has upheld the Assessing Officer's action disallowing the assessee's sec.80P deduction claim(s), involving varying sums, in all these assessment years for the sole reason that it had derived the corresponding interest income from regular members having voting rights as well as nominal/associate members and therefore, going by case law Citizen Cooperative Society Ltd., vs. ACIT [2017] 397 ITR 1 (SC) that it is only the interest income derived from extending credit facilities for the former category which qualifies for sec.80P relief.

3. Faced with this situation, learned DR could hardly dispute the clinching legal developments and their lordships' latter decision in Mavilayi Service Cooperative Bank Ltd., vs. CIT [2021] 431 ITR 1 (SC) has rejected the Revenue's very stand to conclude that the impugned sec.80P deduction could not be denied to a co-operative society *qua* interest income derived from nominal/associate members as well as once it is

in compliance to the State Co-operative law provisions. The assessee succeeds in its' sole substantive ground in all these cases. Necessary computation shall follow as per law. Ordered accordingly.

4. These assessee's four appeals ITA.Nos.385, 388, 392 & 574/Coch./2024 are allowed in above terms and it's stay applications S.A.Nos.137, 139, 138 and 140/Coch./2024 are dismissed as rendered infructuous. A copy of this common order be placed in the respective case files.

Order pronounced in the open court on this 07<sup>th</sup> Day of November, 2024.

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

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

Cochin ; Dated : 07<sup>th</sup> November, 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