

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

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

ITA No.645/Coch/2023 : Asst.Year 2013-2014
ITA No.646/Coch/2023 : Asst.Year 2014-2015
ITA No.647/Coch/2023 : Asst.Year 2015-2016
ITA No.648/Coch/2023 : Asst.Year 2016-2017
ITA No.649/Coch/2023 : Asst.Year 2017-2018
ITA No.650/Coch/2023 : Asst.Year 2020-2021
ITA No.651/Coch/2023 : Asst.Year 2021-2022

Nagalassery Service Co-operative Bank Limited No.P-541 Koottanad, Pattambi Palakkad – 679 533. PAN : AABAT7089C.	v.	The Income Tax Officer Ward – 3 Palakkad.
(Appellant/Applicant)		(Respondent)

Appellant by : --- None ---
Respondent by : Smt.V.Swarnalatha, Sr.DR

Date of Hearing : 14.08.2024	Date of Pronouncement : 05.11.2024
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ORDER

Per Bench :

These assessee's seven appeals arise against the orders of the National Faceless Appeal Centre, Delhi [CIT(A)] in proceedings u/s.143(3) of the Income-tax Act, 1961; in short "the Act" hereinafter, assessment year-wise, respectively:-

Sr. No.	ITA No.	AY	DIN & Order No.	Date
1	645/Coch/2023	2013-2014	ITBA/NFAC/S/250/2023-24/1054065210(1)	30.06.2023
2	646/Coch/2023	2014-2015	ITBA/NFAC/S/250/2023-24/1054063134(1)	30.06.2023

3	647/Coch/2023	2015-2016	ITBA/NFAC/S/250/2023-24/1054063388(1)	30.06.2023
4	648/Coch/2023	2016-2017	ITBA/NFAC/S/250/2023-24/1054063668(1)	30.06.2023
5	649/Coch/2023	2017-2018	ITBA/NFAC/S/250/2023-24/1054063822(1)	30.06.2023
6	650/Coch/2023	2020-2021	ITBA/NFAC/S/250/2023-24/1054064404(1)	30.06.2023
7	651/Coch/2023	2021-2022	ITBA/NFAC/S/250/2023-24/1054064771(1)	30.06.2023

Case called twice. None appears at assessee's behest. It is accordingly proceeded *ex parte*.

2. It emerges at the outset that the assessee's identical sole substantive grounds claim itself as eligible for sec.80P deduction claim *qua* interest income from its' staff members, involving varying sums, assessment year-wise, respectively. We find from a perusal of the case file that the CIT(A)/NFAC has already accepted its' impugned claim in principle vide following detailed discussion :

"6.3 In view of the above, it is clear that a Co-operative Bank which is not eligible for deduction under BOP(4) must necessarily have of India. Without such a a license from the Reserve Bank license, a Co-operative Society providing credit facilities and registered under the Co-operative Societies Act cannot be held to be a Co-operative Bank within the meaning of Section 80P(4). In view of the aforesaid decision of the Honourable Apex Court, it is clear that the appellant is not a Co-operative Bank within the meaning of section 80P(4). Further, the appellant is

engaged in granting credit facilities to its members. The Supreme Court in the aforesaid decision has clearly held that "providing credit facilities to its members" does not necessarily mean agricultural credit alone. Thus, the fact that the appellant is providing substantial percentage of non-agricultural loans does not disentitle the appellant from claiming deduction under 80P(2)(a)(i) of the IT Act. No specific instance of loan granted to a non-member has been pointed out by the Assessing Officer. Thus, the action of the AO. in disallowing deduction under 80P of Rs. 1,38,22,625/- is held to be incorrect, and the A.O. is directed to allow deduction under 80P as claimed by the appellant. The AO is directed to disallow deduction u/s.80P on income earned from loans to staff who are not members as directed by the Apex Court in the Mavilayi case. The appellant's ground of appeal is, therefore, partly allowed."

3. The assessee could hardly rebut the clinching fact emerging from the above extracted detailed discussion that it has already been held eligible relief only *qua* the staff members concerned who also happens to be it's members. Since he has directed the Assessing Officer to verify the factual position for this limited extent, we reject the assessee's instant sole substantive issue in very terms at this stage. Ordered accordingly.

4. These assessee's seven appeals ITA Nos.645, 646, 647, 648, 649, 650 & 651/Coch/2023 are dismissed in above terms. A copy of this common order be placed in the respective case files.

Order pronounced in the open court on this 05th day of November, 2024.

Sd/-
(Amarjit Singh)
ACCOUNTANT MEMBER

Sd/-
(Satbeer Singh Godara)
JUDICIAL MEMBER

Cochin ; Dated : 05th 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