

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

**BEFORE SHRI INTURI RAMA RAO, AM &
SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER**

**ITA Nos. 557 & 558/Coch/2025
Assessment Years :2015-16 & 2016-17**

The Kerala State Handloom Weavers Co-op.Society Ltd.,
PB No.64, Kaithary Bhavan,
GPO Ootukuzhy, Trivandrum
Kerala-695001
[PAN: AAAAT 9772 D]

Appellant

vs.

Income Tax Officer,
Ward-2(1), Trivandrum.

..... Respondent

Appellant by: None
Respondent by: Smt. Leena Lal, Sr. DR

Date of Hearing: 22.08.2025
Date of Pronouncement: 26.08.2025

ORDER

Per Inturi Rama Rao, AM:

These are the appeals filed by the Assessee-Cooperative Society directed against the different orders passed by the learned Commissioner of Income Tax (Appeals)/ NFAC, Delhi [for short, 'Ld. CIT(A)] dated 28.06.2025 u/s.250 of the Income Tax Act, 1961 (for short, 'the Act') for Assessment Years (AY) 2015-16 & 2016-17 respectively.

2. Since the identical facts and issues involved in these appeals and the appeals are heard together and disposed of vide this common order.

3. For the sake of convenience and clarity, the facts relevant to A.Y. 2015-16 in appeal bearing ITA No.557/Coch/2025 are stated herein.

4. Brief facts of the case are that appellant is a cooperative society registered under the Kerala Co-operative Societies Act, 1969. It is engaged in the business of textiles, handlooms, power looms etc. The return of income for the A.Y. 2015-16 was filed on 01/01/2016 disclosing nil income. Against the said return of income, the assessment was completed by the ITO, Ward-2(1), Trivandrum (for short, 'AO') vide order dated 28/09/2021 passed under section 143(3)r.w.s. 263 of the Act at a total income of Rs.13,25,07,906/-. While doing so, the AO made addition by disallowing the provision for reserves under various heads of Rs.4,63,25,533/- and 'reserve for deficit stock' of Rs. 12,603/- and provision for gratuity of Rs. 6,32,08,065/- and also disallowed the claim of set off of brought forward losses in the absence of determination loss in the earlier assessment years, in which losses were incurred.

3. Being aggrieved by the above assessment order, an appeal was filed by the appellant before the Ld. CIT(A), who vide impugned order directed the AO to allow set off of brought forward losses of A.Y. 2011-12 to the extent of Rs. 85,90,016/-, however, confirmed the disallowance of claim for set off of business losses for the A.Y.

2007-08 to 2014-15 in the absence of determination of losses for the respective assessment years.

4. Aggrieved by the order of Ld. CIT(A), the appellant is in appeal before us in the present appeal.

5. When appeal was called on for hearing, none appeared on behalf of the appellant despite due service of notice of hearing. After hearing ld.Sr.DR, we proceed to dispose of the appeal on merits.

6. It is submitted that Ld.PCIT, Thrissur vide proceedings dated 04/03/2020 passed an order condoning the delay for filing the returns of income for the A.Ys. 2011-12 to 2014-15, however, the Ld. CIT(A) had ignoring this fact passed the impugned order, therefore, matter may be remanded to the file of the AO for fresh assessment order taking into account the outcome of the order passed by the Ld. PCIT.

7. On the other hand, ld. Sr.DR has no serious objection to remand the matter to the file of AO for fresh disposal in accordance with law. We order accordingly. We make it clear that all other contentions raised by the appellant-society are kept open before the AO. Thus, the grounds of appeal raised by the assessee stands partly allowed for statistical purposes.

8. The facts in ITA No.558/Coch/2025 are identical to the facts of ITA No.557/Coch/2025. Therefore, our findings in ITA

No.557/Coch/2025 shall apply *mutatis mutandis* to the appeal in ITA No.558/Coch/2025 also.

9. In the result, appeals filed by the Assessee stands partly allowed for statistical purposes.

Order pronounced in open Court on 26th August, 2025.

Sd/-
(RAHUL CHAUDHARY)
JUDICIAL MEMBER

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 26th August, 2025

vr/-

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