

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

**BEFORE SHRI INTURI RAMA RAO, AM
AND SHRI MANU KUMAR GIRI, JM**

**ITA No. 637/Coch/2025
Assessment Year: 2020-21**

Veliyanad co-operative society Ltd. Appellant
14A, Arakunnam Veliyanad B.O.
Edakkattuavayal, Ernakulam 682303
[PAN: AACAT9073F]

vs.

ITO, Corporate Ward (2(1), Kochi) Respondent

Assessee by: Shri Amaljith P.J., CA
Revenue by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 03.11.2025
Date of Pronouncement: 06.11.2025

ORDER

Per: Inturi Rama Rao, AM

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre, Delhi (NFAC) dated 14.07.2025 for Assessment Year (AY) 2020-21.

2. Brief facts of the case are that the appellant is a co-operative society registered under the Kerala State Co-operative Societies Act, 1969. It is formed with the object of providing credit facilities to members and accepting deposits from its members. No regular

return of income was filed u/s. 139(1) of the Income Tax Act, 1961 (the Act) by the appellant for AY 2020-21. The Assessment Unit, Income Tax Department (hereinafter called "the AO"), based on the information that the appellant made cash deposits in the bank account, earned commission income and made investments in fixed deposit, formed an opinion that income escaped assessment to tax. Accordingly, a notice u/s. 148A of the Act was issued. Subsequently, order u/s. 148A(d) was passed on 25.03.2024. Notice u/s. 148 was issued on 26.03.2024. In response to the notice u/s. 148, the appellant society had filed return of income for AY 2020-21 on 26.06.2024 declaring Nil income after claiming deduction u/s. 80P of the Act at Rs. 68,70,900/-. Against the said return of income, the assessment was completed by the AO vide order dated 14.02.2024 [passed u/s. 147 r.w.s. 144 of the Act at a total income of Rs. 90,47,390/-. While doing so, the AO had denied deduction u/s. 80P of the Act on the ground that no return of income was filed within the due date prescribed u/s. 139(1) of the Act, placing reliance on provisions of section 80AC of the Act. Further, the AO made disallowance of expenditure invoking section 40(a)(ia) of the Act of Rs. 2,16,838/- and made disallowance of contingency expenses of Rs. 19,59,652/-.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order partly allowed the appeal by confirming the

disallowance of deduction u/s. 80P of the Act and partly granted relief in respect of addition u/s. 40(a)(ia) of the Act.

4. Being aggrieved, the appellant is in appeal before this Tribunal in the present appeal challenging the disallowance of deduction u/s. 80P as well as disallowance of contingency expenses.

5. We do not find any merit in the grounds of appeal, challenging the disallowance of claim for deduction u/s. 80P as the appellant had not filed the return of income, within the due date prescribed u/s. 139(1) of the Act. The provisions of section 80AC mandates that in order to avail deduction u/s. 80P, the return of income should be filed by the co-operative societies within the due date prescribed u/s. 139(1) of the Act. Thus, we do not find any reason to interfere with the action of the learned lower authorities confirming the disallowance of claim for deduction u/s. 80P of the Act.

6. Next ground of appeal challenges the disallowance of contingency expenses of Rs. 19,59,6523/-. This ground of appeal was raised for the first time before this Tribunal. This ground was not challenged before the NFAC. No application was filed for admission of additional ground of appeal. In the circumstances this ground of appeal cannot be admitted. Accordingly this ground is dismissed.

7. In the result, the appeal filed by the assessee stands dismissed.

Order pronounced in the open court on 6th November, 2025.

Sd/-
(MANU KUMAR GIRI)
JUDICIAL MEMBER

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 6th November, 2025

n.p.

Copy to:

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

Assistant Registrar
ITAT, Cochin