

आयकर अपीलीय अधिकरण न्यायपीठ, कोचीन
IN THE INCOME TAX APPELLATE TRIBUNAL, COCHIN

माननीय इंटूरी रामा राव, लेखा सदस्य एवं
माननीय श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष
**BEFORE HON'BLE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER
AND
SHRI HON'BLE MANU KUMAR GIRI, JUDICIAL MEMBER**

आयकर अपील सं. / ITA No. 753/Coch/2025

निर्धारण वर्ष /Assessment Year: 2020-21

The Oorakam Service Cooperative
Bank Limited
Oorakam P.O.,
Malappuram 676519
Kerala
[PAN: AADAT8574A]

The Income Tax Officer,
Vs. Ward-2(1),
Thrissur.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by
प्रत्यर्थी की ओर से /Respondent by

: Shri Raghunathan, Advocate
: Smt. Leena Lal, Snr A.R

सुनवाई की तारीख/Date of Hearing

: 06.11.2025

घोषणा की तारीख /Date of Pronouncement

: 28.11.2025

आदेश / O R D E R

PER MANU KUMAR GIRI (Judicial Member):

The captioned appeal filed by the assessee is directed against
order of the Ld. Commissioner of Income Tax (Appeal)/NFAC, Delhi
['CIT(A)' in short] dated 18.08.2025 for Assessment Year 2020-21.



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2. The assessee has raised multiple grounds challenging the order of the CIT(A), primarily relating to disallowance of deduction u/s 80P(2)(d) of the Income Tax Act, 1961, rejection of assessee's contention that the deduction was wrongly reported under section 80P(2)(d) instead of 80P(2)(a)(i) due to a computer/clerical error, disallowance of contingencies expenses amounting to Rs. 28,79,142/- and CIT(A)'s refusal to admit additional evidence under Rule 46A and confirming additions solely on the basis that supporting documents were not produced during assessment.

2. Facts in Brief are that the assessee is a Primary Agricultural Credit Society (PACS) registered under the Kerala Co-operative Societies Act, 1969. During assessment proceedings, the Assessing Officer (AO) disallowed deduction claimed u/s 80P(2)(d) amounting to Rs.43,69,836/-, contingencies expenses of Rs.28,79,142/- on the ground that the assessee failed to furnish supporting documents.

Before the CIT(A), the assessee contended that the claim under section 80P(2)(d) was a technical error, and the correct claim was under 80P(2)(a)(i), which is available to PACS, however, the



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Id.CIT(A) held that no additional evidence was produced as per Rule 46A, and confirmed the AO's order.

3. We have carefully considered the rival submissions and examined the records. The assessee is a PACS, and eligibility for deduction u/s 80P(2)(a)(i) depends upon verification of its activities, membership structure, and income head. The AO disallowed the claim solely because the assessee did not produce documents. The CIT(A) also dismissed the claim only because no evidence was admitted under Rule 46A. However, neither the AO nor the CIT(A) has examined the assessee's eligibility on merits. Further, the assessee's plea regarding *wrong section being selected by the computer system* requires verification of facts and supporting documents. In the interest of justice, the matter requires fresh examination.

The AO also made disallowance of Contingencies Expense solely for non-submission of documents. The Id.CIT(A) confirmed the addition again for the same reason. Since the assessee claims



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that the documents are available and can be produced, this issue also requires fresh verification.

4. We find that both disallowances were made without proper examination of evidence. The assessee deserves one more opportunity to present the required documents, and the AO must verify the claim on merits.

5. In view of the above, and without expressing any opinion on the merits of the claims, we deem it appropriate to set aside the issues to the file of the Assessing Officer and the matter is remanded to the Assessing Officer for *de-novo* adjudication. Needless to say, the AO shall provide adequate opportunity to the assessee to file all relevant documents, including those related to its PACS status, income details, and correct section of deduction and examine the assessee's claim of deduction under 80P(2)(a)(i) and its eligibility on merits, irrespective of the earlier technical error. The AO also will re-examine the disallowance of contingencies expenses after considering the evidence to be filed by the assessee and pass a speaking order in accordance with law.



ITA No. 753/Coch/2025
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6. In the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced on 28th day of November, 2025 at Cochin.

Sd/-
(इंटूरी रामा राव)

(Inturi Rama Rao)

लेखा सदस्य /Accountant Member

Sd/-

(मनु कुमार गिरि)

(Manu Kumar Giri)

न्यायिक सदस्य / Judicial Member

Cochin, दिनांक/Dated: 28th November, 2025.

EDN, Sr. P.S

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT,
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF