The West Bengal State Co-operative Agriculture and Rural Development Bank Ltd. v. Assistant Commissioner of Income Tax, Circle-32, Kolkata

ITAT/35/2025 (IA No: GA/1/2025)

ITAT/35/2025 (IA No: GA/1/2025) (High Court at Calcutta, 2025-08-20) | 2025-08-20

The appeal was disposed of and the question answered against the assessee.

80P(2)(a)(i) | 260A

High Court at Calcutta | Division Bench | T. S. Sivagnanam | Chaitali Chatterjee (Das)

Assessment years: 2006-07

01 FACTS OF THE CASE

The bank's section 260A appeal for AY2006–07 challenged the Tribunal's 5 August 2024 order in ITA1434/Kol/2023. The question concerned section 80P(2)(a)(i) deduction for Rs.55,08,000 interest income and Rs.28,71,843 interest on house-building loans to employees.

Source: Opening and question, PDF p.1

02 DISCUSSION BY THE HON'BLE COURT

The Court referred to its 6 August 2025 judgment in the bank's ITAT36/2025. It concurred in denial of deduction for staff house-building-loan interest. For the other interest component, it held that the assessee could not take a contrary stand in the second round. This two-page order does not elaborate the earlier stand or reproduce the earlier judgment's complete analysis.

Source: Reasons, PDF p.2

03 JUDICIAL DECISION

Finding no Tribunal error, the Court disposed of the appeal and answered the substantial question of law against the assessee. GA1/2025 was also disposed of.

Source: Operative paragraph, PDF p.2

04 OUTCOME / IN WHOSE FAVOUR

Revenue-favourable result for this AY2006–07 appeal: the challenged denial of deduction remained. The staff-loan component and the second-round position on other interest rest on separately stated reasons.

Source: Reasons and disposition, PDF p.2

05 EXPERT COMMENTS

Keep the two interest components separate — The order rejects staff house-building-loan interest by following the earlier judgment, but addresses other interest by the prohibition on a contrary second-round stand. Treating both as a single substantive ruling that all bank-deposit interest is ineligible would discard the Court's separate reasoning.

A citation to the earlier case does not merge the appeals — ITAT35/2025 concerns AY2006–07 and its stated amounts. It refers to ITAT36/2025 dated 6 August 2025, but remains a separate appeal with its own disposition. When relying on the earlier case, examine its issues and operative relief rather than transpose this later order's adverse result to every issue in it.

The prior stand needs its own record — The Court does not detail the earlier concession or position in this short order. The appellate record is needed to identify precisely what was foreclosed in the second round. It would be unsafe to invent a waiver, a particular remand direction or a general prohibition on alternative claims from this sentence alone.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

High Court at Calcutta source judgment/order

Complete 2-page source PDF; corrected note based on this document.

All 2 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Source-era statutory provisions only; no Income-tax Act, 2025 equivalence asserted.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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