

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

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 566/Coch/2025
Assessment Year: 2014-15**

Azhiyur Service Cooperative Bank Ltd. No.7893, 11/269B,
Azhiyur, Vadakara, Kozhikode,
[PAN: AAVFA 0167 H]

Appellant

vs.

Income Tax Officer,
Ward-2(2), Kozhikode.

..... Respondent

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

Date of Hearing: 21.08.2025
Date of Pronouncement: 25.08.2025

ORDER

This is an appeal filed by the assessee directed against the order passed by the Additional/Joint Commissioner of Income Tax (Appeals)-1, Nashik [for short, 'Ld. CIT(A)] dated 07.07.2025 u/s.250 of the Income Tax Act, 1961 (for short, 'the Act') for Assessment Year (AY) 2014-15.

2. Brief facts of the case are that appellant is a cooperative society registered under Kerala Co-operative Societies Act, 1969. It is classified as primary agricultural credit cooperative society. It is engaged in the business of accepting deposits from member and providing credit facilities to its member. The return of income for the A.Y. 2014-15 was filed on 21/12/2016 disclosing nil income

after claiming deduction under section 80P of the Act. Against the said return of income, the assessment was completed by the ITO, Ward-2(2), Kozhikode (for short, 'AO') vide order dated 21/12/2016 passed under section 143(3) of the Act at a total income of Rs. 16,19,169/-. While doing so, the AO denied the deduction claimed under section 80P of the Act following the Full Court judgment of the Hon'ble Kerala High Court in the case of *The Chirakkal Service Cooperative Bank Ltd. & Others* in ITA No. 212/2013, dt.15/02/2016.

3. Being aggrieved by the above assessment order, an appeal was filed by the appellant before the Ld. CIT(A), who vide impugned order dismissed the appeal placing reliance on the provisions of sub-section (4) of section 80P of the Act.

4. Aggrieved by the order of Ld. CIT(A), the Assessee is in appeal before this Tribunal.

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, I proceed to dispose of the appeal on merits.

6. I have heard ld. DR and perused the material on record. The solitary issue that arises for my consideration is that whether the appellant society is eligible for deduction claimed under section 80P of the Act or not. The appellant is a cooperative society, duly registered under the Kerala Cooperative Society Act, 1969. It is classified as Primary Agricultural Credit Cooperative Society and it

does not enjoy any banking licence. Therefore, the provisions of sub-section (4) of section 80P have no application to the appellant society. The ratio laid down by the Hon'ble Supreme Court in the case of *Mavilayi Service Co-Operative Bank Ltd. v. CIT* (2021) 431 ITR 01 is squarely applicable to the facts of the present case. Therefore, I direct the AO to allow deduction claimed by the Assessee under section 80P of the Act. Thus, the grounds raised by the appellant stand allowed.

7. In the result, appeal filed by the appellant stands allowed.

Order pronounced in open Court on 25th August, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 25th 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