

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“SMC” BENCH, COCHIN**

**Before Shri Inturi Rama Rao, Accountant Member**

ITA No.678/Coch/2024 : Asst.Year 2017-2018

Kalliad Service Co-operative Bank Limited No.F-1281 Kalliad PO Kannur – 670 593. <b>PAN : AAAAK5259N.</b>	v.	The Income Tax Officer Ward 3 Kannur.
(Appellant)		(Respondent)

Appellant by : ---- None ----  
Respondent by : Smt.Leena Lal, Senior AR

<b>Date of Hearing : 03.02.2025</b>	<b>Date of Pronouncement : 10.02.2025</b>
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**ORDER**

This appeal filed by the assessee is directed against the order of the National Faceless Assessment Centre / Commissioner of Income-tax (Appeals) [“CIT(A)” for short] dated 07.06.2024 having DIN & Order No.ITBA/NFAC/S/250/2024-25/1065481491(1) for the assessment year 2017-2018.

2. The brief facts of the case are that the assessee is a co-operative society registered under the Kerala Co-operative Societies Act, formed with the object of providing financial accommodation to its members for agricultural purposes. The return of income for the assessment year 2017-2018 was filed on 18.01.2018 declaring ‘Nil’ income after claiming deduction u/s.80P of the Income-tax Act, 1961 (“the Act” hereinafter) at Rs.16,48,770. Against the said return of income,

assessment was completed by the Assessing Officer ("the AO" hereinafter) vide order dated 24<sup>th</sup> December, 2019 passed u/s.143(3) of the Act at a total income of Rs.16,48,770 by denying the claim of deduction u/s.80P of the Act by placing reliance of provisions of sub-section (4) of sec.80P of the Act.

3. Being aggrieved by the assessment order, the assessee filed appeal before the CIT(A), who vide the impugned order confirmed the action of the AO.

4. Being aggrieved by the order of the CIT(A), the assessee is in appeal before us in the present appeal. When the appeal was called for, none appeared on behalf of the assessee despite due service of notice. Therefore, I proceed to dispose of the appeal on merits.

5. I have heard the rival submissions and perused the material available on record. I find that the issue is now settled by the judgment of the Hon'ble Supreme Court in the case of Mavilayi Service Co-operative Bank Ltd. v. CIT [2021] 431 ITR 1 (SC). Respectfully following the judgment of the Hon'ble Supreme Court, we direct the AO to allow the claim of the assessee.

6. In the result, the appeal filed by the assessee is allowed.  
Order pronounced on this 10<sup>th</sup> day of February, 2025.

**Sd/-**  
**(Inturi Rama Rao)**  
**ACCOUNTANT MEMBER**

Cochin; Dated :10<sup>th</sup> February, 2025.  
Devadas G\*

Copy to :

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

Asst.Registrar/ITAT, Cochin