



total income of Rs. 4,11,71,348/- denying deduction u/s. 80P of the Act.

3. Being aggrieved, an appeal was filed before the CIT(A), who via order dated 22.08.2023 allowed the claim u/s. 80P of the Act following the judgement of the Hon'ble Supreme Court in the case Mavilayi Service Co-operative Bank Ltd. v. CIT [2021] 431 ITR 1 (SC). However, he proceeded to hold that the income generated from the services rendered to non-members would not be eligible for deduction u/s. 80P of the Act.

4. Being aggrieved, the appellant filed the present appeal raising the following grounds of appeal: -

*“1. With reference to the Ld. AO's order Giving Effect to the Honorable Commissioner of Income Tax (Appeals)' Order, pertaining to Appeal No. NFAC/2017-18/10051763, dated 22.08.2023, we submit that there has been an erroneous interpretation and application of the statutory provisions.*

*2. That the addition to income has been made on account of disallowance made u/s 40A(7) of the Act for an amount to the tune of Rs. 12,50,000/-reported as provision for Gratuity as per the Statutory Audit Report issued by the Department of Co-operation, Govt. of Kerala.*

*3. That the Appellant confirms that they had already disallowed the said amount though inadvertently u/s 36(1) (viii) of the Act instead of the actually applicably Section 40A(7) of the Act. In this regard, the Appellant further confirms that they are in possession of the relevant computation statement, ITR filed & Statutory Audit Report for substantiating the said claim.*

*4. Hence it may be reasonably inferred that the Appellant had disallowed the same voluntarily and no further disallowance as proposed by the Ld. AO is required.*

*5. The Appellant based on the submissions made herein, prays that the addition & tax demanded amounting to Rs. 12,50,000/- & Rs. 6,03,532/-respectively, made by the AO be deleted.”*

5. The above grounds raised by the assessee neither emanate from the order of the learned CIT(A) nor form part of subject matter of appeal before the CIT(A). If the assessee is aggrieved by the consequential order passed to the CIT(A)'s order, the remedy lies somewhere else and, therefore the grounds raised by the appellant are dismissed as not maintainable.

6. In the result, appeal filed by the assessee is dismissed.

Order pronounced in the open court on 23<sup>rd</sup> January, 2025.

Sd/-  
**(INTURI RAMA RAO)**  
**ACCOUNTANT MEMBER**

Cochin, Dated: 23<sup>rd</sup> January, 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