

IN THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD %SMC+BENCH

**Before: Shri Rajpal Yadav, Judicial Member
And Shri Amarjit Singh, Accountant Member**

**ITA Nos. 2525 to 2527/Ahd/2016
AY 2009-10, 2010-11 & 2013-14**

SRP Group Sahakari Mandali Ltd. Naroda, Ahmedabad-382346 PAN: AABAS6542H (Appellant)	Vs	The ACIT, Circle-7(2), Ahmedabad (Respondent)
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**Revenue by: Shri Prasoon Kabra, Sr. D.R.
Assessee by: Shri Pritesh Shah, A.R.**

Date of hearing : 27-11-2017
Date of pronouncement : 28-11-2017

आदेश/ORDER

PER : AMARJIT SINGH, ACCOUNTANT MEMBER:-

The present three appeals are directed at the instance of assessee against the order of Id. CIT(A) dated 05-08-2016 for assessment years 2009-10, 2010-11 & 2012-13.

2. The solitary grievance is that Id. CIT(A) has erred in confirming the disallowance of exemption claim u/s. 80P of the income tax act. With the assistance of Id. representatives, we have gone through the

records carefully. The facts of all these appeals are common in all these three assessment years, therefore, for the facility of reference, we are taking the fact of assessment year 2009-10 as a lead case and its findings will be applicable to the other two appeals of assessment years 2010-11 and 2013-14 . It is pertinent to observe that assessee is a credit co-operative society. It has claimed deduction u/s. 80P on following items:-

Sr. No.	Business Activities	Net Profit in Rs.
1	Net Internet Income (Balance of returned income less net income earned from other business activating mentioned below from Sl. No. 2 to 10	15,58,680/-
2	Rental income	103904
3	Torrent Bill Collection Commission	36064
4	Mineral Water Sale	36918
5	Gas distribution	429096
6	Poultry Sale	118140
7	Bakery	55632
8	Milk/Ice Cream	46946
9	STD PCO	60964
10	Provision/Grain Store	2959
	TOTAL	24,49,303/-

On analysis of the records, Id. assessing officer found that assessee is a credit co-operative society and not a labour society, therefore, it is not entitled for deduction qua the interest income generated on following activities:-

Sr. No.	Business Activities	Net Profit in Rs.
1	Rental Income	103904
2	Torrent Bill Collection Commission	36064
3	Mineral Water Sale	36918
4	Gas distribution	429096
5	Poultry Sale	118140
6	Bakery	55632
7	Milk/Ice Cream	46946
8	STD PCO	60964

9	Provision / Grain Store	2959
	TOTAL	890623

After examining the record, Id. assessing officer has disallowed the deduction u/s. 80P on items except interest income earned by assessee. In this way, in assessment year 2009-10, the assessing officer has made similar disallowance in assessment years 2010-11 and in the assessment year 2013-14 respectively.

3. Appeal to Id. CIT(A) did not bring any relief to the assessee

4. At the very outset, Id. counsel for the assessee submitted that assessing officer has erred in computing the amounts for making disallowance u/s. 80P on gross basis. The activity which does not qualify for grant of exemption u/s. 80P(2) which have only net income relatable to those activities ought to be computed for disallowance of exemption. We find force in this contention of learned counsel for the assessee, therefore, we remit this issue to the file of Id. assessing officer for all three years. Id. assessing officer shall determine the net income attributable to each activity and thereafter exclude those amounts from the claim made u/s. 80P(2).

5. In the result, all the appeals of the assessee are allowed for statistical purposes.

Order pronounced in the open court on 28 -11-2017

Sd/-
(RAJPAL YADAV)
JUDICIAL MEMBER

Sd/-
(AMARJIT SINGH)
ACCOUNTANT MEMBER

