

**IN THE INCOME TAX APPELLATE TRIBUNAL,
MUMBAI BENCH "SMC", MUMBAI**

BEFORE SHRI D.T. GARASIA, JUDICIAL MEMBER

**ITA No.1308 & 1310/M/2017
Assessment Years: 2009-10 & 2010-11**

M/s. Sai Prerna Co-op. Society Ltd., 317, Puran Asha, Narshi Natha Street, Masjid Bunder (E), Mumbai-400 009 PAN: AADTS5638M	Vs.	ITO Ward 12(1)(2), Aayakar Bhavan, M.K. Marg, Mumbai – 400 020
(Appellant)		(Respondent)

Present for:

Assessee by : Shri Vijay Rao S. Tambe, A.R.
Revenue by : Ms. N. Hemalatha, Sr. D.R.

Date of Hearing : 11.12.2017
Date of Pronouncement : 30.01.2018

ORDER

Per D.T. Garasia, Judicial Member:

The present appeals have been preferred by the assessee against the common order dated 10.11.2016 of the Commissioner of Income Tax (Appeals) [hereinafter referred to as the CIT(A)] relevant to assessment years 2009-10 & 2010-11. Since the facts and issues involved therein are identical in nature, hence the same are taken together for disposal by this common order.

2. The short facts of the case are as under:

The assessee is a co-operative credit society whose main function is to advance loans to the members. The claim of the society is that the funds are generated on account of shares of

members and deposits received from them. The assessee is also entitled to borrow loan from District Central Co-operative Bank Ltd. The main source of receipt of society's interest received on account loans advanced to members. The profits are distributed amongst the members in the form of dividend. The assessee has also collected the electricity bill on behalf of the Maharashtra State Electricity Distribution Company Ltd. The assessee also received service charges for collecting the electricity bills but the expenditure incurred for collecting the fees was not allowed by the Assessing Officer (hereinafter referred to as the AO).

3. During the course of hearing, the Ld. A.R. has filed the copy of original profit & loss account along with the balance sheet on 31.03.09. Profit & loss account was liable for deduction under section 80P. The Ld. A.R. submitted before me the reconciliation of assessment order and present working, xerox copy of notice of demand and assessment order. Similarly in assessment year 2010-11 similar document is submitted before me.

4. Having heard both the parties, I am of the view that assessee is entitled for 80P deduction only on the activities which are liable under 80P. At the same time, the assessee is also entitled for the service charges recovered but assessee also entitled for the expenditure for collecting the same. Therefore, in the interest of justice and fairplay, I restore this issue back to the file of AO and the

AO is directed to allow the claim of 80P which is submitted before me after verification of the same.

5. In the result, both the appeals of the assessee are allowed.

Order pronounced in the open court on 30.01.2018.

**Sd/-
(D.T. Garasia)
JUDICIAL MEMBER**

Mumbai, Dated: 30.01.2018.

* Kishore, Sr. P.S.

Copy to: The Appellant
The Respondent
The CIT, Concerned, Mumbai
The CIT (A) Concerned, Mumbai
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.