

**IN THE INCOME TAX APPELLATE TRIBUNAL,
KOLKATA 'B(SMC)' BENCH, KOLKATA**

Before Shri Satbeer Singh Godara, Judicial Member

**I.T.A. No. 1277/KOL/2019
Assessment Year: 2014-2015**

**M/s. O.F. Board Cooperative Credit Society Limited,.....Appellant
10A, Ayudh Bhawan, Shahid Khudiram Bose Road,
Explanade, Kolkata-700001
[PAN:AAAA00989R]**

-Vs.-

**Income Tax Officer,.....Respondent
Ward-35(1), Kolkata,
Shantipally, Aayakar Bhawan Poorva, 7th Floor,
Kolkata-700107**

Appearances by:

*Shri Prabir Kumar Sen, Advocate, for the Appellant
Smt. Ranu Biswas, CIT, Sr. D.R., for the Respondent*

Date of concluding the hearing : January 27, 2020

Date of pronouncing the order : January 31, 2020

O R D E R

The assessee's appeal for assessment year 2014-15, arises against the Id. Commissioner of Income Tax (Appeals)-10, Kolkata's order dated 28.02.2019 passed in the case No. 283/CIT(A)-10/W, 35(1)/14-15/2016-17/Kol, involving proceedings under section 250 of the Income Tax Act, 1961; in short 'the Act'.

Heard both the parties. Case file perused.

2. It transpires from the case records that the assessee's only grievance per its averments is that both the lower authorities have erred in law and on facts in making disallowances under section 40(a)(ia) and section 40A(3) on account of salary and other expenses involving sums of Rs.26,02,310/- and Rs.21,475/- respectively.

3. There is no dispute between the parties that the assessee has been assessed to tax as a cooperative credit society and entitled for deduction under section 80P. In this factual background, I notice during the course of hearing that the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes has issued a circular bearing No. 37/2016 dated 02.11.2016 making it clear that all deductions admissible in Chapter VI-A also include various disallowances/additions made under sections 32, 40(a)(ia), 40A(3), 43B, etc. since related to business activity. I, therefore, decline the Revenue's arguments supporting the impugned disallowances and direct the Assessing Officer to treat the foregoing two heads under 'salary' and 'other expenses' as eligible for deduction under section 80P as per law.

4. In the result, the appeal of the assessee is allowed.
Order pronounced in the open Court on January 31, 2020.

Sd/-
(Satbeer Singh Godara)
Judicial Member

Kolkata, the 31st day of January, 2020

Copies to : (1) **M/s. O.F. Board Cooperative Credit Society Limited,
10A, Ayudh Bhawan, Shahid Khudiram Bose Road,
Explanade, Kolkata-700001**

(2) **Income Tax Officer,
Ward-35(1), Kolkata,
Shantipally, Aayakar Bhawan Poorva, 7th Floor,
Kolkata-700107**

(3) *Commissioner of Income Tax (Appeals) -10, Kolkata;*

(4) *Commissioner of Income Tax- , Kolkata*

(5) *The Departmental Representative*

(6) *Guard File*

By order

*Assistant Registrar,
Income Tax Appellate Tribunal,
Kolkata Benches, Kolkata*

Laha/Sr. P.S.