

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई।
IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH: CHENNAI

श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री जगदीश, लेखक सदस्य के समक्ष
BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA Nos.1966 & 1967/Chny/2025
निर्धारण वर्ष /Assessment Years: 2023-24 & 2024-25

Salaipudur Milk Producers Co-
operative Society Ltd.,
301/1, Karur Bye Pass Road,
Salaipudur, Kodumudi,
Erode – 638 151.
PAN: AABAS 0104M

Vs. The Income Tax Officer,
Ward-2(1),
Erode.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by
प्रत्यर्थी की ओर से /Respondent by

: Shri Sridhar, Advocate (Erode)
: Ms. R. Anitha, Addl. CIT

सुनवाई की तारीख/Date of Hearing

: 10.11.2025

घोषणा की तारीख /Date of Pronouncement

: 13.11.2025

आदेश / ORDER

PER JAGADISH, A.M :

Aforesaid two appeals filed by the assessee for Assessment Years (AYs) 2023-24 & 2024-25 arises out of the orders of Learned Commissioner of Income Tax, Appeal, Addl./JCIT(A)-1, Guwahati [hereinafter "Addl. CIT(A)"] dated 16.06.2025 & 10.06.2025.

2. The facts in both the appeals of the assessee are identical and issues are common hence, we proceed to pass a common order. For

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brevity, we shall take up the appeal in ITA No.1966/Chny/2024 for A.Y 2023-24 as lead case.

3. The assessee is a society registered under TN- Co-Operative Societies Act, 1983 and engaged in the activity of milk and other related produces by its members. The assessee has filed its return of income showing total income of Rs 1,87,080/- after claiming deduction u/s.80P of the Income-tax Act, 1961 (hereinafter referred to as “the Act”). The assessee in the return of income has stated that taxation option for Section 115BAD as “No”. However, CPC in the order passed u/s 154/143(1) has not allowed the deduction u/s 80P of the Act as the assessee in A.Y 2021-22, had filed Form-10IF opting for the concessional rate of tax u/s. 115BAD of the Act. On appeal, the Ld. Addl. CIT(A), after observing that the assessee had opted for the concessional rate of tax in A.Y. 2021-22, and as per provision of section 115BAD, once assessee has opted for concessional rate of tax under the said provision, the same cannot be withdrawn in subsequent year has upheld the disallowance of claim deduction u/s. 80P of the Act.

4. The Ld. Authorized Representative (A.R) of the assessee submitted that though the assessee had filled Form 10IF for A.Y 2021-

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22, it has not opted for section 115BAD in the return of income and has claimed deduction u/s 80P of the Act. The Ld. AR submitted that the CPC, Bengaluru while processing the return for A.Y. 2021-22, has allowed deduction u/s. 80P of the Act. The Ld. AR submitted that in subsequent year also for A.Y 2022-23, the claim of deduction u/s 80P of the Act was allowed without Section 115BAD option. The Ld. AR argued that section 115BAD(1) is subject to condition in sub section 115BAD(2) of the Act, that the assessee should not have claimed chapter VI-A deduction and as assessee has not satisfied condition of subsection (2), the Form-10IF no longer binds assessee for section 115BAD(1) of the Act. The Ld. AR submitted that the assessee was under the bona fide belief that its option for concessional taxation u/s. 115BAD of the Act had not been accepted as Section 80P of the Act deduction was allowed in A.Y 2021-22 and the subsequent year. The Ld. A.R contended that since the assessee, in the return of income, had clearly indicated "No" in response to the question regarding opting for section 115BAD, the said provision cannot be automatically or forcibly applied. Hence, the deduction claimed u/s. 80P of the Act ought not to have been disallowed. The Ld. AR has relied on the decision of ITAT, Jaipur Bench in the case of *Dynamic Powertech*

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Private Ltd., Jaipur in ITA No.21/JP/2025 for A.Y 202-24 dated 08/05/2025.

5. The Ld. Departmental Representative (D.R), on the other hand, placing reliance on section 115BAD(5), argued that once the assessee had opted for the concessional rate of tax u/s. 115BAD in A.Y. 2021-22 by filing Form-10IF, the option so exercised continues to apply to all subsequent assessment years. As per the said sub-section, once such an option is exercised for any previous year, it cannot be subsequently withdrawn for the same or any other previous year. Accordingly, the disallowance of deduction u/s. 80P of the Act by the lower authorities was justified.

6. We have heard the rival submissions and perused the materials available on record. The limited controversy before us is whether the assessee is eligible to claim deduction u/s. 80P for A.Y. 2023-24 in view of the fact that it had filled Form-10IF in A.Y. 2021-22. It is evident from record that the assessee had filled Form-10IF for A.Y 2021-22, but in return filled it has clearly stated in the column for option for section 115BAD as "No" and has claimed deduction u/s. 80P of the Act. The CPC also while processing the return for A.Y 2021-22 has allowed the claim u/s 80P of the Act . The claim has also

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been allowed in subsequent year as assessee has not opted for Section 115BAD of the Act. The section 115BAD of the Act, provides for a concessional rate of tax for co-operative societies at the option of assessee, subject to the condition that income has been computed without deductions under chapter VIA, including that under section 80P of the Act. The Sub-section (5) of section 115BAD of the Act provides that once the option is exercised, it shall apply to all subsequent assessment years and cannot be withdrawn.

7. However, in the present case, though the assessee had filed Form-10IF in A.Y. 2021-22, it has stated no in the option for section 115BAD column and the CPC while processing that return has allowed deduction under section 80P as such. The same has been allowed in subsequent A.Y 2022-23 also. The assessee, therefore, continued to file returns under the normal provisions in subsequent years. In our considered view, taxation under section 115BAD is a matter of option which the assessee exercises consciously in the return of income. However, where such option has not been acted upon or accepted by the Department, and the income has been computed allowing deduction under section 80P of the Act, the presumption that the assessee has been taxed under normal provisions continues. The Ld

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Addl. CIT(A) also has failed to consider the factual background that the Department itself had not given effect to section 115BAD in A.Y. 2021-22. Accordingly, we hold that the assessee's claim of deduction under section 80P of the Act cannot be denied merely for the reason that it has filed Form-10IF in A.Y 2021-22. The adjustment made by CPC under section 143(1) of the Act as well as the order of CIT(A) are therefore unsustainable, and addition made in total income is deleted. In view of the above, the appeal filed by the assessee is allowed.

ITA No. 1967/Chny/2025 (A.Y. 2024-25):

8. We find that an identical issue is involved in the assessee's appeal for A.Y. 2024-25. Accordingly, our adjudication in A.Y. 2023-24 shall apply *mutatis mutandis* to this year as well. For similar reasons, the appeal in ITA No. 1967/Chny/2025 is also allowed.

9. In the result, both the appeals filed by the assessee are allowed.

Order pronounced on 13th day of November, 2025 at Chennai.

Sd/-
(मनु कुमार गिरि)
(Manu Kumar Giri)
न्यायिक सदस्य / **Judicial Member**

Sd/-
(जगदीश)
(Jagadish)
लेखा सदस्य / **Accountant Member**

चेन्नई/Chennai, दिनांक/Dated: 13th November, 2025.

EDN, Sr. P.S

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आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF