

**IN THE INCOME TAX APPELLATE TRIBUNAL
SURAT BENCH, SURAT**

**BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT
MS. SUCHITRA KAMBLE, JUDICIAL MEMBER**

ITA Nos. 803 & 804/SRT/2025
(Assessment Year: 2010-11 & 2015-16)

The Pursottam Farmers Co-op. Cotton Ginning & Pressing Society Limited, Jahangirpura Gin, Jahangirpura, Rander, Surat-395 009 [PAN : AAAAT 3000 A]	Vs.	The Deputy Commissioner of Income-tax, CPC, Bengaluru
(Appellant)	..	(Respondent)
Appellant represented by :	Shri Akshay M. Modi, CA	
Respondent represented by:	Shri Ajay Uke, Sr DR	
Date of Hearing	20.01.2026	
Date of Pronouncement	22.01.2026	

ORDER

PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-

These two appeals have been filed by the assessee against the separate orders of the Ld. Addl./JCIT(A)-10, Mumbai ('Ld. CIT (A)' in short), both date 30.07.2025, passed under Section 250 of the Income-tax Act, 1961 ('the Act' in short) for Assessment Years 2010-11 & 2015-16.

2. Since the issues involved in these appeals are identical, they were heard together and are being disposed of by this common order for the sake of convenience. For adjudication, we take ITA No. 803/SRT/2025 for Assessment Year 2010-11 as the lead case.

2. The assessee has raised the following grounds of appeal:-

"1. On the facts and in the circumstances of the case as well in law, the CIT (Appeals) Addl./JCIT (A)-10 Mumbai erred in upholding the order passed by DCIT, CPC, Bengaluru (for the sake of brevity "The AO") u/s 143(1) of the Act for the income assessed at Rs. 1,59,90,311/- against the returned income at

Rs. Nil denying the deductions claimed under Chapter VIA of the Act for the aggregate amount of Rs. 1,59,90,311/- (subject to the availability of Gross Total Income), purely on misinterpretation and misconstruction of the provisions of law, misleading, mis-conceptual, arbitrary and perverse observations and hence, is liable to be quashed or annulled in toto.

2 On the facts and in the circumstances of the case as well in law, both the lower authorities have grievously failed in not allowing the deduction claimed under Chapter VIA Rs. 1,59,90,311/-(subject to the availability of the Gross Total Income) is bad in law, illegal, perverse, without jurisdiction and hence, liable to be quashed.”

3. At the outset, the Ld. AR submitted that the issues raised by the assessee are squarely covered in favour of the assessee by the order of the Coordinate Bench of the Tribunal in the case of the assessee’s own case in ITA Nos. 449 and 523/SRT/2024 (181 taxmann.com 121) for AY 2017-18. For convenience, the relevant portion of the order of the Tribunal is reproduced hereunder:-

“8. We have heard both the parties and perused the material available on record. We have also deliberated upon the decisions relied upon by both sides. The grounds raised by the parties are inter-related and pertain to the deduction of Rs.2,26,96,240/- claimed u/s 80P(2)(d) of the Act on account of interest on investment held with Surat District Co-operative Bank Ltd. There is no dispute that the Surat District Co-operative Bank Ltd. is a co-operative society duly registered under Gujarat Co-operative Societies Act, 1961. The ld. AR has relied on the decisions of the Hon’ble jurisdictional High Court in case of Ashwinkumar Arban Co-operative Society Ltd. (supra) and Kutch District Cooperative Milk Producers Union Ltd. (supra), wherein the Hon’ble jurisdictional High Court held that deduction u/s 80P(2)(d) is available to cooperative societies on income earned as interest on investment made with co-operative bank, which in turn is a co-operative society. In case of Ashwanikumar Arban Co-op. Society Ltd. (supra), it was held as under:

“28. Having heard learned advocates for the respective parties and considering the controversy arising in these tax appeals, we are of the opinion that the controversy sought to be canvassed with regard to

deduction under section 80P(2)(d) of the Act is no more res integra in view of the decision of this Court in case of Katlary Kariyana Merchant Sakhari Sarafi Mandali Ltd. (supra) as well as in case of State Bank of India (supra) wherein it was held that the deduction of under section 80P(2)(d) of the Act is available to the cooperative societies on the income earned as interest on the investment made with the cooperative bank which in turn, is a cooperative society itself.

.....

33. In view of the above dictum of law as well as the provisions of the Act which are considered we are of the opinion that the provisions of section 80P(2)(d) would be applicable in the facts of the case and the PCIT was not justified in invoking revisional powers under section 263 of the Act which is rightly reversed by the Tribunal holding that the cooperative bank is a cooperative society registered under the Gujarat State Cooperative Societies Act and in view of the various decisions of the Court, the Tribunal after following the same has come to the conclusion that the assessment was not erroneous allowing deduction of section 80P(2)(d) of the Act which is in consonance with the various decisions of the Court as a twin condition invoking section 263 as to the assessment being erroneous and prejudicial to the interest of the revenue are not being fulfilled.”

9. In the subsequent decision in case of Kutch District Co-operative Milk Producers Union Ltd. (supra), the Hon’ble jurisdictional High Court followed the above decision in case of Ashwinikumar Arban Co-operative Society Ltd. (supra) and held that where assessee society earned interest income on fixed deposit kept with co-operative bank, assessee was eligible for deduction u/s 80P(2)(d) on the said interest income. The facts of the instant case are similar to the facts of the case discussed above. Hence, respectfully following the decisions cited supra, the grounds raised by the assessee are allowed and grounds raised by the revenue are dismissed.”

4. Before us, the Revenue has not brought on record any distinguishing facts or fresh material to demonstrate that the facts in the present cases are materially

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different from those considered by the Coordinate Bench. The facts in the present cases are identical, and the assessee's entitlement to deduction u/s 80P(2)(d) on interest earned from co-operative banks is fully supported by the binding decision of the Coordinate Bench.

5. The issues raised in Assessment Year 2015-16 are identical. For the same reasons, the findings in AY 2010-11 apply *mutatis mutandis* to AY 2015-16.
6. In the result, both the appeals of the assessee are allowed.

This Order pronounced in Open Court on 22.01.2026

Sd/-

(SUCHITRA KAMBLE)
JUDICIAL MEMBER

Surat; Dated/01/2026

btk

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण ,/DR,ITAT, Surat,
6. गार्ड फाईल /Guard file.

Sd/-

(DR. B.R.R. KUMAR)
VICE-PRESIDENT

आदेशानुसार/ BY ORDER,

TRUE COPY

सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण,ITAT, Surat