

IN THE INCOME TAX APPELLATE TRIBUNAL  
AHMEDABAD "D" BENCH

**Before: Shri Sanjay Garg, Judicial Member And  
Smt. Annapurna Gupta, Accountant Member**

**ITA No: 2522/Ahd/2025  
Assessment Year: 2015-16**

Deputy Commissioner of Income Tax Circle-2(1)(1), Ahmedabad  <b>(Appellant)</b>	Vs	Sabarkantha District Co-operative Milk Producers Union Ltd. Sabar Dairy, Himmatnagar, Sabarkantha Gujarat-383006 <b>PAN: AAAAS5265L (Respondent)</b>
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**Assessee Represented: Shri Vimal Desai, A.R.  
Revenue Represented: Shri V.K. Singh, CIT-DR**

Date of hearing : 19-02-2026  
Date of pronouncement : 27-02-2026

**आदेश/ORDER**

**PER: ANNAPURNA GUTA, A.M.**

This appeal is filed by the Assessee as against appellate order dated 27-10-2025 passed by the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, (in short referred to as "CIT(A)"), arising out of the assessment order passed under section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') relating to the Assessment Year 2015-16.

2. The Grounds of Appeal raised by the Revenue are as follows:

1. *"Whether the Ld. CIT(A) has erred in law and on facts in allowing the deduction of Rs 6,44,13,360/- claimed under sec. 80P(2)(d) of the Act without taking into consideration facts that the assessee could not establish the direct nexus between the funds used for investments and the Interest and dividend claimed as exempt?"*

2. *"Whether the Ld.CIT(A) has erred both on facts and in law in treating the Finance Act, 2015 amendment as retrospective and in allowing the carry forward of addition depreciation of Rs. 1,09,44,773/-subsequent assessment year?" to a*

3. *"Whether on the facts and in the circumstances of the case and in law, the Ld CIT(A) was justified in allowing depreciation and additional depreciation claimed on CANs and Equipments amounting to Rs. 1,20,85,228/- when it is clear that Milk Cans and Equipment do not qualify as 'Plant and Machinery' for the purpose of additional depreciation u/s 32 of the Act?"*

4. *"The appellant craves leave to amend or alter any ground or add a new ground, which may be necessary."*

5. *"It is, therefore, prayed that the order of Ld. CIT(A) may be set aside and that of the Assessing Officer be restored".*

3. At the outset itself, it was stated before us that all the issues raised by the department in the present appeal were legacy issues arising year to year in the case of the assessee in earlier years also and which were decided in favour of the assessee right up to the ITAT. It was contended that the ld. CIT(A) had allowed the assessee's appeal noting identity of facts with the preceding years and following the decision of the ITAT in the case of assessee itself in the preceding years.

4. Our attention was drawn to the ground raised by the department pointing out that the issue raised by the department related to the following:

(i) the disallowance by the A.O. of claim of deduction u/s. 80P(2)(d) of the Act.

(ii) the claim of additional depreciation in subsequent assessment year.

(iii) the claim of additional depreciation on Milk Cans Equipment treating the same as Plant and Machinery.

5. Our attention was thereafter drawn to the order of the Ld. CIT(A). Ld. Counsel for the assessee first took us to Para 5.6 to 5.8 of the order and pointed out that the Ld. CIT(A) noted the assessee's claim of deduction u/s. 80P(2)(d) of the Act, in respect of interest and dividend income earned from investments made in Cooperative Banks and Cooperative Societies, to be supported by the decision of the ITAT in the assessee's own case for A.Y. 2009-10 and 2012-13 and A.Y. 2016-17 to 2018-19. He also noted the ITAT decision in A.Y. 2009-10 to A.Y. 2012-13 to be affirmed by the Hon'ble High Court. Noting judicial consistency in favour of the assessee, the Ld. CIT(A), it was pointed out, deleted the disallowance made by the A.O. of deduction claimed by the assessee u/s. 80P(2)(d) of the Act amounting to Rs. 6,44,13,360/-.

6. With respect to the issue of additional depreciation claimed in the subsequent year, it was pointed out that the said issue was dealt by the Ld. CIT(A) at Para 5.9 to 5.11 of his order wherein noting that the assessee had claimed balance 10% of additional depreciation on new plant and machinery, which were used for less than 180 days in the impugned year, Ld. CIT(A) had noted identical claim of the assessee to have been allowed by the ITAT in A.Y. 2012-13 to 2018-19 and accordingly deleted the disallowance made by the A.O. of 10% additional depreciation claimed by the assessee amounting to Rs. 1,09,44,773/-.

7. Thereafter he pointed out that the remaining issue of additional depreciation claimed by the assessee on Milk Cans and Equipment treating them as plant and machinery was dealt by the Ld. CIT(A) at Para 5.12 to 5.14

of the order wherein again he pointed out that Ld. CIT(A) noted this issue to have been consistently decided in favour of the assessee by the ITAT from A.Y. 2012-13 to A.Y.2016-17 and noting so had deleted the disallowance of the additional depreciation claimed by the assessee on Milk Cans and Equipment amounting to Rs.1,20,85,228/-.

8. The Ld. D.R. before us was unable to controvert the fact that all the issues raised had been consistently decided by ITAT in favour of the assessee in the preceding year, though, before us he heavily relied on the order of the A.O.

9. In the light of the above, we find no infirmity in the order of the Ld. CIT(A). deleting the disallowance of deduction claimed by the assessee u/s. 80P(2)(d) of the amount amounting to Rs. 6,44,13,360/-, 10% additional depreciation claiming amounting to Rs.1,09,44,773/- and additional depreciation claimed on Milk Cans and Equipment amounting to Rs.1,20,85,228/- following the decision of the ITAT in the case of the assessee itself in the preceding assessment years.

10. All the grounds raised by the Revenue therefore are devoid of merits and are accordingly dismissed.

9. In effect, the appeal of the Revenue is dismissed.

Order pronounced in the open court on 27-02-2026
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**Sd/-**  
**(SANJAY GARG)**  
**JUDICIAL MEMBER**

**Ahmedabad : Dated 27/02/2026**

Tanmay

TRUE COPY

**Sd/-**  
**(ANNAPURNA GUPTA)**  
**ACCOUNTANT MEMBER**

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार  
आयकर अपीलीय अधिकरण,  
अहमदाबाद