

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 226/Coch/2025
Assessment Year: 2017-18**

Kozhikode Nagaram Vanitha Sahakarana Appellant
Sangam Ltd.
18/151 D, Palayam Rahmatha Building Kallai Road
Chalappuram P.O., Kozhikode 673002
[PAN: AADAK4509N]

vs.

The Income Tax Officer, Ward-1(2), Kozhikode Respondent

Appellant by: Shri Akhil Shaji, Advocate
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 28.04.2025
Date of Pronouncement: 30.04.2025

ORDER

This appeal filed by the assessee is directed against the order of the Commissioner of Income Tax (Appeals)-2, NOIDA [CIT(A)] dated 30.09.2024 for Assessment Year (AY) 2017-18.

2. Brief facts of the case are that the appellant is a co-operative society registered under the Kerala State Co-operative Societies Act, 1969, engaged in the business of accepting deposits from its members and lending to its members. The return of income for AY 2017-18 was filed on 18.01.2018 declaring Nil income after claiming deduction u/s. 80P(2)(1)(a) of the Income Tax Act, 1961

(the Act). Against the said return of income, the assessment was completed by the Income Tax Officer, Ward- 1(2), Kozhikode (hereinafter called "the AO") vide order dated 13.11.2019 passed u/s. 143(3) of the Act at a total income of Rs. 16,08,306/-. While doing so, the AO denied the claim for deduction u/s. 80P(2)(1)(a) of the Act on the ground that the appellant society is also dealing with nominal members, placing reliance on the decision of the Hon'ble Apex Court in the case of *Citizen Co-operative Society Ltd. v. ACIT 397 ITR 1 (SC)*.

3. Being aggrieved, an appeal was filed before the CIT(A) with a delay of 9 days. The CIT(A) had refused to condone the delay by holding that the appellant had failed to provide sufficient cause for the delay.

4. Being aggrieved, the appellant is in appeal before us in the present appeal.

5. At the outset, I find that there is a delay of 11 days in filing the present appeal. The appellant filed a petition along with an affidavit seeking condonation of delay in filing the appeal stating that the delay in filing the appeal had occurred, as the order was served through departmental portal and the appellant was not aware of the said order till the Chartered Accountant noticed it on 25.01.2025. Thus, it is prayed that the delay had occurred on account of factors beyond the control of the appellant. Therefore, it is prayed that the delay in filing the appeal may be condoned and the appeal may be admitted for adjudication. On a perusal of the averments made in the

condonation petition, it is evident that the appellant is prevented by reasonable cause from filing the appeal. Therefore, I condone the delay and admit the appeal for adjudication.

6. The only issue that arises for my determination is whether the CIT(A) is justified in refusing to condone delay of 9 days in filing the appeal before him. The appellant had explained that the delay had occurred on account of time consumed in consultation with professionals by the Board of Directors, etc. In my considered opinion this would constitute reasonable cause for the delay. The CIT(A) ought to have condoned the delay. Accordingly, I direct the CIT(A) to condone the delay of 9 days in filing the appeal before him and adjudicate the issues in the appeal on merits in accordance with law after affording reasonable opportunity of hearing to the appellant.

7. In the result, the appeal filed by the assessee stands partly allowed.

Order pronounced in the open court on 30th April, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 30th April, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin