



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

(Appeals)/Addl/JCIT (A)-4, Hyderabad [hereinafter referred to as the “CIT(A)”], passed under section 250 of the Income Tax Act, 1961 [hereinafter referred to as “the Act”] for the A.Y. 2013-14, 2015-16 and 2020-21 respectively, wherein the appeals of the assessee are dismissed being barred by limitation and the Ld. CIT(A) has refused to condone the delay stating that the assessee has failed to show sufficient cause for condonation of delay.

2. Since the facts of all the appeals filed by the assessee are exactly same, parties are same, also the order of the same date and the matter involved is also similar wherein the assessee has challenged the disallowance of interest amount earned from deposit of interest with the cooperative banks and was claimed as deduction u/s 80P(2)(d) of the Act for the different assessment years, therefore, all the appeals are being disposed of by this common order in order to avoid the multiplicity of the decision. First of all, we are taking ITA No. 2548/Mum/2025 for AY 2013-14 as lead case.

3. The brief facts of the case are that, the assessee is co operative society Registered under Maharashtra State Co operative Society Act. The assessee filed a Return of Income on 26/09/2013 declaring total income of Rs.



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

2,63,430/- for the year under consideration. The return was processed with demand of Rs. 2,60,770/-. An intimation order u/s 143(1) of the Act was issued on 04-06-2014 as computed total Income of Rs. 9,60,668 /-. The CPC has disallowed 80P deduction of Rs. 6,97,241/- in computation of total income.

4. The assessee has preferred the appeal against the said intimation order before the Ld. CIT(A) and the Ld. CIT(A) has dismissed the appeal of the assessee while passing the impugned order on the ground that there is huge delay i.e. 3392 days in filing the appeal for AY 2013-14, 2564 in filing the appeal for AY 2015-16 and 425 days in filing the appeal for AY 2020-21. Thus, the Ld. CIT(A) has dismissed the appeals in limini as time barred and has not decided the matter on merit.

5. Aggrieved with the order of Ld. CIT(A) assessee preferred the present appeal before us by raising the following grounds as under:

1. In the facts and circumstances of the case the Learned Commissioner of Income Tax (Appeal) has completely ignored on the merit of the case, and only dealt with delay in filing appeal.

2. The Appellant is a registered Co-operative Housing Society registered under Maharashtra State Co-operative Societies Act, 1960 registration



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

No.BOM/HSG/3603 dated 28th June, 1972, and eligible for benefit of deduction U/S 80P (2) (d) of the Income Tax Act, 1961.

3. On the facts and circumstances of the case the Learned Commissioner of Income Tax (Appeal) has overlooked the fact that the Appellant is eligible for the deduction U/S 80P (2) (d) of the Act and outright rejection of the case is not within the power and competence of the CPC under the provision of 143(1) (a) at the time of processing of the Return of Income rejection of claim deduction, on the basis of the Return of Income, statement and record it is out of Jurisdiction of the CPC to reject the claim.

6. We have heard Ld. AR and Ld. DR and examined the record. At the outset, Ld. AR on behalf of the assessee submitted that the assessee has shown sufficient cause for condonation of delay before the Ld. CIT(A) who did not consider the same and dismissed the appeal in limine without deciding on merit. It is further argued by Ld. AR that the appellant/assessee has filed an affidavit giving detailed reasons as to why there was delay of 3392 days in filing the appeal before the Ld. CIT(A). It is therefore submitted that the case may be referred back to the Ld. CIT(A) and the delay in filing the appeal before the Ld. CIT(A) may be condoned in the interest of justice. In support of seeking condonation of delay, the assessee has filed an affidavit alongwith proof and the contents of the affidavit in para 4 onwards are extracted below:-



ITA NO. 2548 to 2550/MUM/2025

Sarnath Co-Operative Housing Society Ltd.

“4. There was a delay for 3392 days in filing an appeal to the Commissioner of Income Tax (Appeal) against the order under section 143(1) of the act for assessment year 2013-14, however there was no delay in filing appeal to Honorable ITAT Mumbai against the Ex parte appellate order by the CIT (appeal)

*The dispute in the SARNATH CO-OPERATIVE HOUSING SOCIETY LIMITED was primarily due to disagreements over manner of functioning, dealing with financial management, and decision making processes of the previous committee. This led to administrative delays, non cooperation in the handover of records. In this matter the prolonged dispute impacted the routine functioning of the society, including accounting and financial records. The copy of minutes book enclosed in Annexure II highlighted in Point No. 5. The matter was continued from end of the year 2011 and eventually resolved in 2022, allowing for normalization of operations and restoration of records. New committee was appointed under an AGM in support of majority members of the Sarnath Co-Operative Housing Society limited. New office bearer shall be appointed in AGM for 5 Years in the year 2015 and Appointed body shall continue for the period of 5 years unless another office bearer shall be elected in AGM in the year 2020. The copy of minutes of meeting dated 15th September 2015 enclosed in Annexure III. **Even after the new committee came into existence their representation remains only on paper as they were not able to resume the responsibility effectively for the want of all records from previous office bearers who were sitting over records and office premises. Although new office bearers were duly appointed in the year 2020, the office remained largely non-functional due to the outbreak of the COVID-19 pandemic. The nationwide lockdowns, movement restrictions, and health safety concerns created a dry and uncertain situation, severely impacting normal operations. As a result, the newly constituted office could not initiate or carry out regular activities, and organizational functions were effectively stalled during this period.***

This tangle continues for a while finally reconciliation between old hostile group and present group from to place the new committee started too functional from Financial Year 2023. Therefore, the Appeal for the Assessment Year 2012-13, and were there after immediately filed when it was notice that mistake already had occurred.

The society manager who was looking after administrative functions resigned from his position due to ongoing disputes and lack of coordination among the office bearers of the managing committee in the year 2012. The copy of resignation letter dated 16th May 2012 enclosed in Annexure IV.



ITA NO. 2548 to 2550/MUM/2025

Sarnath Co-Operative Housing Society Ltd.

The internal conflict created a hostile and uncooperative working environment, making it difficult for the manager to carry out day-to-day administrative responsibilities effectively. The absence of consensus and mutual trust among the office bearers led to operational inefficiencies, eventually compelling the manager to step down. His resignation further impacted the smooth functioning of the society during that period.

The society manager, despite having access to important records and documents of the society, failed to part with the same to the office bearers. Due to his non-cooperative attitude and reluctance to share official records, the functioning of the managing committee was severely affected. Repeated requests and follow-ups made by the office bearers were ignored, leading to administrative delays and non-compliance with statutory obligations. The withholding of records created obstacles in ensuring transparency and hindered effective governance of the society.

Further, delay in filing the appeal was caused due to the accounts of the assessee being maintained manually, which made the process of data compilation and verification time-consuming. Furthermore, during this crucial period, the accountant who was responsible for maintaining and finalizing the financial records tendered their resignation, which further disrupted the accounting and documentation process. The new accountant took additional time to understand and organize the manual records, resulting in an unavoidable delay.

The delay in filing the appeal was caused due to ongoing repair work in the podium area of the premises, which necessitated the temporary relocation of office materials, including accounting records and files. During this period, the records were not readily accessible, and the process of shifting and reorganizing the documents took considerable time. This disruption affected the timely preparation and finalization of financial details required for filing the appeal. The copy of photograph of Podium area and Cup-board is attached as Annexure V.

*The delay in filing the appeal was caused due to an ongoing dispute regarding the office premises between two societies. As a result of this conflict, the assessee society was unable to access its records, documents, and other relevant files stored at the disputed office premises. **The matter took considerable time to resolve, during which the functioning of the society was severely disrupted. This unforeseen situation led to a genuine and unavoidable delay in complying with statutory requirements. To substantiate this proof the New Sarnath Co-Operative Housing Society Limited was also filed an appeal for assessment year 2014-15 having appeal number ITA2596/MUM/2025 of assessment year 2014-15. The appeal***



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

is pending before ITAT however matter was condoned delay in filing appeal for 2917 days by CIT Order no. ITBA/APL/S/250/2024-25/1073286859 dated 14th February 2025. Both the society "New Sarnath Co-operative Housing Society Limited" and "Sarnath Co-operative Housing Society Limited" located in same premises.

As per Para No. 3.4 of the CIT(A)'s order dated 27th February 2025, the appellant society had filed appeals for six assessment years. Out of these, the appeal for Assessment Year 2017-18 has been allowed on the same ground in favour of the society having CIT order no. ITBA/NFAC/S/250/2023-24/1054829895(1). Further, it is noted that the appeal for Assessment Year 2021-22 is still pending adjudication before the learned CIT(A). Whereas, Para 3.4 of the Learned CIT Order state that there was four-year appeal filed by appellant in fact four-year appeal was dismissed. The remaining assessment years there was no disallowance of deduction under section 80P (2)(d). The copy of order enclosed for assessment year 2017-18 enclosed in Annexure VI.

The financial statements were prepared and the income tax return from year to year was filed based on the limited records available, due to non-cooperation and non-submission of complete documents by the previous management and staff. Although the return was processed and an intimation under section 143(1) of the Income Tax Act was received, The rectification u/s 154 was filed for 3 Assessment year out of Appeal filed for 4 Assessment year, since an application against 143(1) order was pending did not provide a ground to file an appeal before the Commissioner of Income Tax (Appeals) earlier further when an appeal was filed in response to the questionnaires issued by the CIT(A) in the course of appeal of the Act could not be complied with.

In the absence of detailed records and supporting documents, as r the ability to substantiate the claims made in the return of income consequently, this may result in the inability to file a proper appeal or defend the case effectively, thereby adversely affecting the interest of the assessee.

The managing committee of the society passed a resolution acknowledging and recording the reasons for the delay in filing the appeal before the Commissioner of Income Tax (Appeals). Copy of resolution enclosed in Annexure VII. The causes of delay, including internal disputes among office bearers, non-availability of records, and lack of administrative continuity, were duly discussed and documented in the minutes of the meeting. The committee formally decided to proceed with the filing of the CIT appeal in the meeting held on [insert actual date], after the resolution of internal issues and retrieval of necessary financial documents. The resolution reflects the



society's bona fide intent and forms part of the explanation for condonation of delay.

The assessee has at no point acted with ill intention or deliberate disregard for the law. Despite having a strong case on merits, there was no attempt to delay proceedings out of malice or with any prejudiced mindset. The assessee has consistently acted as a law-abiding entity, and any delay or procedural lapse occurred due to genuine and unavoidable circumstances beyond its control. The assessee is now earnestly seeking justice through the proper legal forum, in good faith and with full respect for the due process of law.

The assessee filed the appeal under a Bonafide belief that it had valid grounds to challenge the assessment, despite the delay in filing. The delay was neither intentional nor with an aim to gain undue advantage, but occurred due to genuine and unavoidable circumstances. It is respectfully submitted that the delay has not caused any prejudice to the interests of the Revenue, as the appeal is based on merits and all relevant facts and records are available for proper adjudication. The assessee seeks a fair opportunity to present its case in the interest of justice and equity.

In the view of the above the forgoing submission by Sanjay Navani, Hon Secretary respectfully and sincerely submit that huge delay in late filing of appeal is not either motivated on or with a malicious purpose. The Appellant society is co-operative housing society exist on the principal of mutuality in respect of dealing with the society and the members. There is no element of profit-making activity involved or there is no any unexplained income or suppression of income involved in such activities.

If delay is not condone it will lead to great hardship and due to Income Tax arrears burden, the financial resource would curtail to the greater extent. As on today all the members of the society are from the middle class have realized their mistake and folly and ignoring their statutory obligation and therefore on behalf of society are requested your Honor for the Condonation of Delay and admission of appeal on merit of the case.”

7. In addition, the assessee has referred to the following documents:-

i) Copy of print screen and application under sec 154 of the act for Assessment year 2013-14.



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

- ii) Copy of minutes book dated 14th March 2011.*
- iii) Copy of minutes of meeting dated 15th September 2015.*
- iv) Copy of resignation letter dated 16th May 2012.*
- v) Copy of photograph of Podium area and Cup-board.*
- vi) Copy of order enclosed for assessment year 2017-18.*
- vii) New Sarnath CHSL order u/s 250 for AY 2014-15.*
- viii) Copy of resolution.*

8. Thus, Ld. AR relied on the annexed documents to stress that the delay occurred due to the ongoing dispute between old management and new management and office bearers were elected in AGM in the year 2020. It is further submitted that the dispute arose among the members in the year 2011 and eventually resolved in 2022. The new management was not in a position to resume the responsibility effectively and also the accountant of the assessee had resigned from their post on account of dispute among members. It was also contended that the appellant housing society could not function from 15.03.2020 till 28.02.2022 on account of Covid pandemic and once discrepancy with respect to income tax assessment of the society came into the notice of the assessee, without any further delay, the appeal against intimation were filed which were dismissed by Ld. CIT(A) in limini without considering the merits of the case. It is further



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

argued that the contents of the affidavit and the circumstances of the case narrated therein makes out a sufficient cause for condonation of delay.

9. Ld. AR also relied on the order of Ld. CIT(A) in the case of New Sarnath Cooperative Housing Society Ltd. for AY 2014-15, order dated 14.02.2025, situated in the same premises wherein in similar situation, the delay of exceeding 2917 days was condoned in filing the appeal before the Ld. CIT(A). Ld. AR further relied on the impugned order of Ld. CIT(A) dated 03.08.2023 for AY 2017-18 in assessee's own case wherein the similar deduction claimed by the assessee u/s 80P(2)(d) of the Act was allowed. It is therefore submitted that the assessee is even entitled to the relief also on merit in the present appeals, but the Ld. CIT(A) has declined to grant the relief in limini on account of delay which has resulted into miscarriage of justice, hence Ld. AR prayed for condonation of delay and restoring the appeals to the Ld. CIT(A) for deciding on merit.

10. The Ld. DR on the other hand supported the judgment of the Ld. CIT(A) and submitted that the assessee has failed to show sufficient cause for condonation of delay. Ld. DR further submitted that Ld. CIT(A) in its order has relied on the recent judgment of Hon'ble Supreme Court in the



case of **Union of India & others vs. Jahangir Byramji Jeejeeboy [2024] INSC 262 (SC)** wherein it was held that the merits of the matter cannot be considered while considering the plea of the condonation of delay. However, the relevant finding is extracted below:-

*“.....While considering the plea for condonation of delay, the court must not start with the merits of the main matter. The court owes a duty to first ascertain the bona fides of the explanation offered by the party seeking condonation. It is only if the sufficient cause assigned by the litigant and the opposition of the other side is equally balanced that **the court may bring into aid the merits of the matter for the purpose of condoning the delay.**”*

It is further submitted that the assessee has failed to show bonafide reasons for inordinate delay and the Ld. CIT(A) has rightly dismissed the appeal of the assessee.

11. We have considered the rival submissions and perused the record. To appreciate the issue for condonation of delay, we notice that it is necessary to extract the relevant portion of the impugned order of Ld. CIT(A) wherein he has considered the explanation of the assessee for condonation of delay and has refused to admit the appeal and dismissed the appeal in limini. The relevant portion is extracted below:-



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

“3. Decision on condonation of delay 3.1 As per provisions of Section 249(2)(b) of the Act, appeal against an intimation order passed u/s 143(1) of the Act must be presented within 30 days of the service of connected demand notice. Section 249(3) provides for condonation of delay if the appellate authority is satisfied that appellant had sufficient cause for not presenting the appeal on time. The relevant provisions of law are reproduced below for ready reference:

“Form of appeal and limitation.

249. (1) ...

(2) The appeal shall be presented within thirty days of the following date, that is to say,—

(a) where the appeal is under section 248, the date of payment of the tax, or]

(b) where the appeal relates to any assessment or penalty, the date of service of thnotice of demand relating to the assessment or penalty: ...

(3) The Joint Commissioner (Appeals) or the Commissioner (Appeals) may admit an appeal after the expiration of the said period if he is satisfied that the appellant had sufficient cause for not presenting it within that period.

3.2 It is trite law that where a case has been presented beyond limitation, the appellant has to explain as to what was the "sufficient cause" which means an adequate and enough reason which prevented him to approach appellate authority within limitation. In this connection, reference may be made to the following decisions of the Hon'ble Supreme Court:

(a) Basawaraj v. Land Acquisition Officer, (2013) 14 SCC 81:

"9. Sufficient cause is the cause for which the defendant could not be blamed for his absence. The meaning of the word "sufficient" is "adequate" or "enough", inasmuch as may be necessary to answer the purpose intended. Therefore, the word "sufficient" embraces no more than that which provides a platitude, which when the act done suffices to accomplish the purpose intended in the facts and circumstances existing in a case, duly examined from the viewpoint of a reasonable standard of a cautious man. In this context, "sufficient cause" means that the party should not have acted in a negligent manner or there was a want of bona fide on its part in view of the facts and circumstances of a case or it cannot be alleged that the party has "not acted diligently" or "remained inactive". However, the facts and circumstances of each case must afford sufficient ground to enable the court



concerned to exercise discretion for the reason that whenever the court exercises discretion, it has to be exercised judiciously. The applicant must satisfy the court that he was prevented by any "sufficient cause" from prosecuting his case, and unless a satisfactory explanation is furnished, the court should not allow the application for condonation of delay. "

(b) Ajay Dabre v. Pyare Ram 2023 SCC Online SC 92:

13. This Court in the case of Basawaraj v. Special Land Acquisition Officer while rejecting an application for condonation of delay for lack of sufficient cause has concluded in Paragraph 15 as follows:

"15. The law on the issue can be summarised to the effect that where a case has been presented in the court beyond limitation, the applicant has to explain the court as to what was the "sufficient cause" which means an adequate and enough reason which prevented him to approach the court within limitation. In case a party is found to be negligent, or for want of bona fide on his part in the facts and circumstances of the case, or found to have not acted diligently or remained inactive, there cannot be a justified ground to condone the delay. No court could be justified in condoning such an inordinate delay by imposing any condition whatsoever. The application is to be decided only within the parameters laid down by this Court in regard to the condonation of delay. In case there was no sufficient cause to prevent a litigant to approach the court on time condoning the delay without any justification, putting any condition whatsoever, amounts to passing an order in violation of the statutory provisions and it tantamounts to showing utter disregard to the legislature."

14. Therefore, we are of the considered opinion that the High Court did not commit any mistake in dismissing the delay condonation application of the present appellant.'

3.2 Thus, it is crystal clear from the above legal propositions that the discretion to condone the delay has to be exercised judiciously based on facts and circumstances of each case and that, the expression 'sufficient cause' cannot be found if negligence, inaction or lack of bona fides is attributed to the party.

3.3 More recently, the Hon'ble Supreme Court in the case of Union of India & Anr vs Jahangir Byramji Jeejeeboy [2024] 2024 INSC 262 dealt at length on the matter of condonation of delay of appeals. The Hon'ble Supreme Court held that once it is held that a party has lost his right to have the matter considered on merits because of his own inaction for long, delay cannot be presumed to be non-deliberate and thus, he cannot be heard to plead that the substantial justice



ITA NO. 2548 to 2550/MUM/2025

Sarnath Co-Operative Housing Society Ltd.

deserves to be preferred as against the technical considerations, and that question of limitation is not merely a technical consideration, but rules of limitation are based on the principles of sound public policy and principles of equity. The relevant parts of the judgment are reproduced as under:

“26. The length of the delay is a relevant matter which the court must take into consideration while considering whether the delay should be condoned or not. From the tenor of the approach of the appellants, it appears that they want to fix their own period of limitation for instituting the proceedings for which law has prescribed a period of limitation. Once it is held that a party has lost his right to have the matter considered on merits because of his own inaction for a long, it cannot be presumed to be non-deliberate delay and in such circumstances of the case, he cannot be heard to plead that the [2024] 4 S.C.R. 83 Union of India & Anr. v. Jahangir Byramji Jeejeebhoy (D) Through His LR substantial justice deserves to be preferred as against the technical considerations. While considering the plea for condonation of delay, the court must not start with the merits of the main matter. The court owes a duty to first ascertain the bona fides of the explanation offered by the party seeking condonation. It is only if the sufficient cause assigned by the litigant and the opposition of the other side is equally balanced that the court may bring into aid the merits of the matter for the purpose of condoning the delay.

27. We are of the view that the question of limitation is not merely a technical consideration. The rules of limitation are based on the principles of sound public policy and principles of equity. We should not keep the ‘Sword of Damocles’ hanging over the head of the respondent for indefinite period of time to be determined at the whims and fancies of the appellants.”

3.3 In the present case, the petitioner/appellant has filed appeal after huge delay of 3392 days i.e. almost 10 years in filing the appeals. The appellant has provided vague and non-specific reasons citing disputes between old and new management as the primary cause for the delay in filing of appeals. However, the appellant has not given any specific dates or time-period during which the dispute arose. As per the provisions of Section 249(2)(b) of the Act, the appeal has to be presented within 30 days of the date of service of notice related to the intimation order. The appellant’s reason for delay can be accepted at face value only if the dispute between the old and new management arose within this short time frame of 30 day period i.e. between 04.06.2014 and 04.07.2014. However, the appellant has not provided any specific timeframe during which the dispute arose.



12. The order of the Ld. CIT(A) can be summarized to the effect that the assessee must satisfy the authorities that he was prevented by sufficient cause from prosecuting the case and has acted in diligent manner, only then it can be considered that there was sufficient cause which prevented from prosecuting the case before the adjudicatory authority. In this respect, Ld. CIT(A) relied on the decision of Hon'ble Supreme Court in the case of **Basawaraj v. Land Acquisition Officer (2013) 14 SCC 81 (SC)** in para 3.2 of the impugned order of Ld. CIT(A) as referred above. Further the Ld. CIT(A) relied the Hon'ble Supreme Court case of **Union of India vs. Jahangir Byramji Jeejeeboy (supra)** to ascertain the bonafide explanation offered by the party for seeking condonation of delay and the Ld. CIT(A) has heavily relied on para 3.3 of the decision of Hon'ble Supreme Court as referred above.

13. While examining the contents of the affidavit and other materials relied by the assessee, we have noticed that there is sufficient cause for condonation of delay. We further notice that the contents of the affidavit shows that the assessee is a cooperative housing society and is not doing any commercial activity and the interest income i.e. the subject matter of



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

the issue has been allegedly earned from the deposit of the member's money collected for the society's maintenance and other expenses which were deposited with the cooperative banks and the interest has been earned on said account only. We have noticed that the contents of the affidavit shows that a dispute arose among the members in the year 2011 and was eventually resolved in 2022. We further notice that the new management was not in a position to resume the responsibility effectively and also the accountant of the assessee had resigned from his post due to dispute among members. We further notice that the appellant housing society could not function from March 2020 to till April 2022 on account of Covid pandemic and the covid period has to be excluded from the period of limitation because the **Hon'ble Supreme Court in the suo moto Writ Petition (C) No. 3 of 2020, order dated January 10, 2022 was pleased to direct that the period from 15.03.2020 till 28.02.2022 to be excluded for the purpose of limitation as may be prescribed under any general or special laws in respect of all judicial or quasi judicial proceedings.**



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

14. We further notice that the revenue has not contradicted the affidavit filed by the assessee, by filing any counter affidavit. Nothing has been brought on record before us that the contents of affidavit filed by the assessee is not correct. Thus from the above facts, we are convinced that the explanation given by the assessee for seeking condonation of delay is bonafide and are genuine and there is nothing to show that assessee has not acted in a diligent manner or was negligent in presenting the matter before the lower authorities in time.

15. The observation of Hon'ble Supreme Court case of Union of India vs. Jahangir Byramji Jeejeeboy (supra) as relied by Ld. CIT(A) is supporting the case of the assessee wherein the Hon'ble Supreme Court held that bonafide explanation for inordinate delay if given by the assessee, as in the present case, the merits of the case can also be considered while considering the condonation of delay in filing the appeal. The Hon'ble Supreme Court in the case of **Collector, Land Acquisition Vs. MST. Katiji & Ors., [1987] 167 ITR 471 (SC), dated 19.02.1987**, was pleased to hold regarding the condonation of delay as under:



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

“The Legislature has conferred the power to condone delay by enacting section 51 of the Limitation Act of 1963 in order to enable the courts to do substantial justice to parties by disposing of matters on de merits”. The expression “sufficient cause” employed by the Legislature is adequately elastic to enable the courts to apply the law in a meaningful manner which subserves the ends of justice that being the life-purpose of the existence of the institution of courts. It is common knowledge that this court has been making of justifiably liberal approach in matters instituted in this court. But the message does not appear to have percolated down to all the other courts in the hierarchy.

And such a liberal approach is adopted on principle as it is realized that:

- 1. Ordinarily, a litigant does not stand to benefit by lodging an appeal late.*
- 2. Refusing to condone delay can result in a meritorious matter being thrown out at the very threshold and cause of justice being defeated. As against this, when delay is condoned, the highest that can happen is that a cause would be decided on merits after hearing the parties.”*

16. In the facts and circumstances as discussed above and because of the law laid down by the Hon’ble Supreme Court in *Sesh Nath Singh &Anr. and Sheo Raj Singh (Deceased) Through LRS. & Ors.* referred (supra), we are of the considered opinion that there was sufficient cause for condoning the delay for filing this appeal before the Ld. CIT(A) by the assessee.



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

17. Moreover, the case of the assessee on merit can also be looked into while condoning the delay in the present appeals as the issue involved is deduction of interest amount earned by the group housing society from its deposit with the cooperative bank from taxable income (total income) and the said issue is no more res integra because it has already been decided by the Coordinate Bench of Mumbai Tribunal in various cases in favour of the assessee.

18. For the above reasons, we are of the considered opinion that the assessee has successfully established sufficient cause for condonation of delay in filing the appeal. In these facts and circumstances, refusal of condonation of delay by the Ld. CIT(A) and dismissing the appeal in limini has resulted into miscarriage of justice. Therefore the impugned order of the Ld. CIT(A) is not sustainable in the eyes of law and accordingly we set aside the same. We therefore condone the delay in filing the appeal before the Ld. CIT(A) and restore the case of the appellant to the file of Ld. CIT(A) who shall dispose the same on merit after duly considering the material brought on record by the appellant before the Ld. CIT(A). The appellant/assessee shall present its case before the Ld. CIT(A) within 90



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

days of this order. Hence, the grounds raised by the assessee are allowed for statistical purposes.

ITA NO. 2549/MUM/2025 (A.Y: 2015-16) &
ITA NO. 2550/MUM/2025 (A.Y: 2020-21)

19. Since these appeals also raises the similar grounds of appeal as raised by the assessee in ITA No. 2548/Mum/2025 for AY 2013-14 and the grounds of this appeals are exactly similar, therefore the findings in ITA No. 2548/Mum/2025 as returned above shall mutatis mutandis apply to these appeals also. Hence, these appeals are also remitted to the file of Ld. CIT(A) for deciding afresh on merit.

20. In the result, all the appeals filed by the assessee are allowed for statistical purposes in above terms.

Order pronounced in the open court on 16.07.2025.

Sd/-
(OM PRAKASH KANT)
(ACCOUNTANT MEMBER)
Mumbai / Dated 16.07.2025
Dhananjay, Sr. PS

Sd/-
(RAJ KUMAR CHAUHAN)
(JUDICIAL MEMBER)

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent.



ITA NO. 2548 to 2550/MUM/2025
Sarnath Co-Operative Housing Society Ltd.

3. CIT
4. DR, ITAT, Mumbai
5. Guard file.
//True Copy//

BY ORDER

(Asstt. Registrar)
ITAT, Mumbai