

IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH, NAGPUR
BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

ITA no.571/NAG/2025
(Assessment Year :2018-19)

Hivtap Nirmulan Karmachari,
Sahakari Pat Sanstha Maryadit
T.B. KaryalayaPandharkawada Road,
Yavatmal -445 001,
Maharashtra.
PAN-AABAH6751K

..... Appellant

v/s

Income Tax Officer,
Ward-1, Yavatmal-445001,
Maharashtra.

..... Respondent

Assessee by: Shri.Naresh Jakhotia.A.R.
Revenue by :Shri.Surjit Kumar Saha.Sr.DR

Date of Hearing – 17/10/2025

Date of Order – 17/10/2025

ORDER

The assessee has filed the appeal against the order dated 08/08/2025 passed by the CIT(A)/National Faceless Appeal Centre(NFAC), Delhi, u/sec 143(3) and 250 of the Income Tax Act, 1961 (for short "*the Act*") for the A.Y. 2018-19. The assessee has raised the following grounds of appeal:-

"1 That on the facts and circumstances of the case and in law, the Learned CIT(A) erred in dismissing the appeal in limine without condoning the delay in filing the appeal, ignoring that the delay occurred due to reasonable and bona fide reasons beyond the control of the appellant.

2 That the Learned CIT(A) failed to appreciate that the reasons furnished for the delay constituted "sufficient cause" within the meaning of section 249(3) of the Income Tax Act, 1961 and hence the appeal deserved to be admitted and decided on merits.

3 That the Learned CIT(A) erred in not adjudicating upon the merits of the claim of deduction u/s 80P of the Income Tax Act, 1961, despite the fact that all necessary documents and by-laws of the society establishing its eligibility were duly produced before him.

4 That the Learned Assessing Officer grossly erred in disallowing the deduction claimed by the appellant under section 80P(2)(a)(i) of the Income Tax Act, 1961, which is allowable to a co-operative credit society engaged in providing credit facilities to its members.

5 That the authorities below failed to appreciate that the appellant society is a credit co-operative society registered under the Maharashtra Co-operative Societies Act, 1960, formed solely for the purpose of providing credit facilities to its members, and hence squarely falls within the ambit of section 80P.

6 That the disallowance of deduction u/s 80P amounting to 26,41,051/- and consequential tax demand of the like amount is unjustified, bad in law, and deserves to be deleted.

7 That the appellant craves leave to add, amend, alter or withdraw any of the above grounds at the time of hearing."

2. The brief facts of the case are that, the assessee is a credit co-operative society and has filed the return of income for the A.Y. 2018-19 on 21/10/2018 disclosing a total income of Rs.Nil after claiming deduction u/sec 80P of the Act. Subsequently, the case was selected for limited scrutiny under the e-assessment scheme 2019 to verify the issues (i) investment, advance/loans and (ii) deduction from total income under Chapter-VIA. The assessing officer has issued notice U/sec143(2) and u/sec142(1) of the Act calling for the details and information and there was partial compliance. The Assessing Officer observed that the assessee has claimed deduction u/sec80P of Rs.26,41,051/- and the assessee was provided sufficient opportunities and also a show cause notice to substantiate the deduction claimed. The Assessing Officer was not satisfied with the information submitted and denied claim of

deduction u/sec80P of the Act and assessed the total income of Rs.26,41,051/- and passed u/sec143(3A) r.w.s.143(AB) of the Act dated 05/03/2021. Aggrieved by the order, the assessee has filed the appeal before the CIT(A).

3. In the appellate proceedings, the CIT(A) found that there is a delay of in filing the appeal and the assessee could not explain the delay with sufficient cause. Whereas, the assessee has filed the explanations for the delay but the CIT(A) was not satisfied with the explanations and has not condone the delay and dismissed the appeal filed by the assessee in limine/ not maintainable. The assessee being aggrieved by the order has filed the appeal before the Hon'ble Tribunal.

4. At the time of hearing, the Id. A.R. for the assessee submitted that the CIT(A) has erred in not condoning the delay though the assessee has explained with supporting details. The Ld.AR submitted that the assessment order u/sec143(3) of the Act was passed on 05/03/2021 and the appeal was filed with the CIT(A) on 15/03/2022 due to COVID-19 lock down period. Further the assessee has a good case on merits and prayed for granting of opportunity to substantiate the case with evidences and information before the lower authorities. The Ld.AR substantiated the submissions with the facts and judicial decisions. Per- contra, the learned Departmental Representative relied on the order of CIT(A).

5. Heard the rival submissions and perused the material on record. Insofar as the delay before the CIT(A) is concerned, the Hon'ble Supreme Court, vide order dated 10/01/2022, passed in M.A. no.21 of 2022, in M.A. no.665 of 2021, in Suo-Motu Writ Petition (Civil) no.3 of 2020, directed that the period from 15/03/2020 till 28/02/2022, shall stand excluded for the purpose of limitation as may be prescribed under any general or special laws in respect of all judicial and quasi-judicial proceedings. As the due date for filing present appeal was falling within the aforesaid time-period, in view of the order passed by the Hon'ble Supreme Court, there is no delay in filing the appeal before the CIT(A). Whereas the delay in filling the appeal before the CIT(A) by the assessee is supported with the sufficient cause and pragmatic approach to be considered. Hence, considering the facts, circumstances, submissions of the Ld.AR, judicial decisions and to meet the ends of justice, the assessee should be provided with one more opportunity for hearing. Accordingly, the order of the CIT(A) is set aside and restore the disputed issues to the file of the jurisdictional assessing officer to adjudicate afresh on merits and the assessee should be provided adequate opportunity of hearing and the assessee should co-operate in submitting the information. And the grounds of appeals of the assessee are allowed for statistical purposes.

6. In the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced on 17/10/2025 as per rule 34(5) of the ITAT Rules 1963

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Nagpur; and
- (5) Guard file.

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

Sr. Private Secretary
ITAT, Nagpur