



आयकर अपीलिय अधिकरण "एस एम सी" न्यायपीठ पुणे में ।
IN THE INCOME TAX APPELLATE TRIBUNAL "SMC" BENCH, PUNE

BEFORE Dr. MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.2087&2089/PUN/2025

निर्धारण वर्ष / Assessment Year: 2020-2021

Savta Maharaj Gramin Bigarsheti San kari Pathsanstha Maryadit, Borban Ghargaon, Ghargaon, Sangamner, Ahmednagar-422605 Maharashtra PAN-AAEAS8066K Appellant	Vs	ITO, Ward-2, Ahmednagar Respondent
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Assessee by	:	Shri Piyush Bafna
Revenue by	:	Shri R.Y. Balawade, Addl. CIT
Date of hearing	:	01.10.2025
Date of pronouncement	:	29.10.2025

आदेश/ORDER

PER DR. MANISH BORAD, ACCOUNTANT MEMBER :

These appeals at the instance of assessee are directed against the separate order of Ld. CIT(A) NFAC, Delhi passed u/s 250 of the Income-tax Act, 1961 evenly dated 28.08.2024 which are arising out of order passed u/s 143(3) r.w.s. 144B of the Act dated 13.09.2022 and order levying penalty u/s 270A of the Act dated 20.03.2023 respectively.

2. Registry has informed that there is a delay of 309 days in filing of the instant appeal. Application for condonation of delay alongwith affidavit dated

04.09.2025 mentioning the reasons for the delay has been filed by the assessee. I have gone through the same, I have heard rival contentions and observed that the assessee was prevented for sufficient cause in filing of this appeal within the prescribed time limit. In the larger interest of justice and placing reliance on the judgement of the *Hon'ble Apex Court* in the case of *Collector, Land Acquisition vs. Master Katiji and Others(1987) 167 ITR 471(SC) (Supreme Court)* and in the case of *Inder Singh Vs State of Madhya Pradesh judgement dated 21.03.2025 (2025) INSC 382*) hereby condone the delay of 309 days and admit both the appeals for adjudication.

3. At the outset Ld. Counsel for the assessee submitted that Ld. CIT(A) has dismissed both the appeals in *limine* by not condoning the delay in filing of the appeal. He referred to various reasons giving rise to the delay in filing of appeal before Ld. CIT(A) order and prayed that delay in filing appeal before Ld. CIT(A) is not intentional and may please be condoned and issues raised in the instant appeal may please be restored to the file of Ld. CIT(A) for necessary adjudication. On the other hand Ld. Departmental Representative (DR) supported the orders of Ld. CIT(A).

4. I have heard rival contentions and perused the records placed before me. I observe that the assessee is a Co-operative Society and declared NIL income in the return filed for A.Y. 2020-21 and has also claimed deduction u/s 80P of the Act at Rs. 86,25,505/- The assessee made partial compliance and also claimed that assessee is eligible for deduction u/s 80P(2)(d) of the Act for the interest earned from investment held with Co-operative Banks. However assessee failed to respond to the show cause notice dated 17.03.2022 and 29.08.2022 asking the assessee to make due compliance by

21.03.2022 and 05.09.2022 but assessee did not responded to the notices. Ld. A.O. framed the assessment order on 13.09.2022 denying deduction u/s 80P of the Act and assessed the income at Rs. 25,86,505/- Ld. AO also initiated penalty proceeding u/s 270A of the Act and levied penalty of Rs. 9,01,367/- I further observe that the assessee preferred appeal before Ld. CIT(A) against both quantum addition and penalty but with a delay. Assessee provided various reasons which have been referred by Ld. CIT(A) in the impugned orders and which mainly includes the reason that user Id and password of the assessee for logging into the Income Tax Portal were known to the previous Accountant who failed to communicate to the assessee. I find substance in the reasons and taking into consideration the technical advancements in the Tax filing and appellate proceedings, find that the sufficient cause prevented the assessee from filing the appeal in time before Ld. CIT(A) and condone the same. Further I find that Ld. CIT(A) has not dealt with the merits of the case. Before me Ld. Counsel for the assessee has submitted that the quantum issue relates to allowbility of deduction u/s 80P(2)(d) of the Act and the same is covered by *plethora* of decisions of this Tribunal. Reliance placed on the decision in the case of *Annapurna Nagari Sahkari Pathsanstha Maryadit Yawal Vs. ITO, Ward-1 (4), Jalgaon, 2025 (6) TMI 963, dated 07.05.2025 (ITA No. 313/PUN/2025)*

5. I find that the issue is no longer *res-integra* as this Tribunal has strongly taken a view that since Co-operative Banks are basically Co-operative Societies, therefore benefit of Section 80P(2)(d) of the Act is also available for the interest earned on investment with Co-operative Banks. However since the assessee has not furnished requisite details before Ld. AO nor there is any finding on merit by Ld. CIT(A), I deem it appropriate to restore the issues raised on merits to the file

of Ld. Jurisdictional Assessing Officer (JAO) to examine the claim of assessee discussed (*supra*) after due consideration of judicial precedence which shall be placed by assessee before Ld. JAO alongwith the details of interest income from co-operative banks and Ld. JAO shall decide in accordance with law. Needless to mention that proper opportunity of hearing shall be given to the assessee. Assessee is also directed to remain vigilant and not to take adjournment unless otherwise required for reasonable cause. Effective grounds of appeal raised by the assessee in ITA No. 2087/PUN/2025 is allowed for statistical purposes. So far as penalty appeal in ITA 2089/PUN/2025 is concerned since the quantum addition issue has been restored to the file of Ld. JAO, therefore the grounds raised against levy of penalty u/s 270A of the Act being dependant upon the quantum addition are also restored to the file of Ld. JAO for *denovo* adjudication.

6. In the result both the appeals of the assessee are allowed for statistical purposes.

Order pronounced on this 29th day of October, 2025.

Sd/-

(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे/ Pune; दिनांक / Dated: 29th October, 2025.

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच,
पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फाइल / Guard File.

आदेशानुसार / BY ORDER,

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune