

आयकर अपीलीय अधिकरण, 'डी' न्यायपीठ, चेन्नई।
IN THE INCOME TAX APPELLATE TRIBUNAL
CHENNAI BENCH "D", CHENNAI

श्री जॉर्ज जॉर्ज के, उपाध्यक्ष एवं श्री इंटूरी रामाराव, लेखा सदस्य के समक्ष
BEFORE SHRI GEORGE GEORGE K, VICE-PRESIDENT
AND
SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.4037/CHNY/2025

निर्धारण वर्ष / Assessment Year: 2018-19

C-2480 Primary Cooperative Credit Society, Elayanagaram, Tirupattur. PAN: AAHFC7142G	Elayanagaram Agricultural	V s.	Assessment Unit, NFAC, Income Tax Department, ITO-CHE-W- (146)(2), CHENNAI.
Appellant			Respondent

Assessee by	Mr. Shyam Sundar – CA
Revenue by	Ms. V Awasthay – JCIT
Date of hearing	17/02/2026
Date of pronouncement	11/03/2026

आदेश / ORDER

PER INTURI RAMA RAO, AM:

This is an appeal filed by the Assessee directed against the order of Id. Commissioner of Income Tax(Appeals)[NFAC] Delhi [‘the CIT(A)’] passed under section 250 of the Income Tax Act,

1961 dated 31.10.2025 for the Assessment Year 2018-19. The

Assessee raised the following grounds of appeal :

“1. The order passed by the learned Commissioner of Income Tax (Appeals) under section 250 is bad in law, contrary to facts, and liable to be set aside.

2. The learned CIT(A) erred in confirming the assessment without adjudicating the issues on merits, despite the Appellant having duly complied with all notices issued under section 250 and having filed detailed written submissions and evidences through the Income-tax portal, acknowledgements for which are available on record.

3. The impugned order is violative of section 250(6) of the Income-tax Act,

5. the Appellant Society's lack of technical knowledge and unfamiliarity with electronic proceedings, and

6. the Appellant's complete and bona fide dependence on an unqualified tax consultant, who failed to respond to the notices issued by the Assessing Officer, and that there was no wilful or deliberate default on the part of the Appellant.

7. The learned CIT(A) erred in not granting appropriate relief despite the above bona fide circumstances, and in not restoring the matter for fresh consideration or adjudicating the issues on merits, thereby causing grave prejudice to the Appellant.

8. The reassessment proceedings initiated and completed under section 147 read with section 144 are bad in law, having been framed without proper application of mind and without examining the nature

of the Appellant's activities as a primary agricultural co-operative credit society.

9. The learned Assessing Officer erred in treating the cash deposits of 51,16,436 as unexplained investment under section 69, ignoring the fact that the deposits represented loan repayments, member deposits and other regular business receipts duly recorded in the books of accounts.

10. The provisions of section 69 were wrongly invoked, as the Appellant maintained regular books of accounts, which were statutorily audited under the Tamil Nadu Co-operative Societies Act, 1983, and the source of the 12. The learned CIT(A) failed to appreciate the Appellant's eligibility for deduction under section 80P(2)(a)(i) and that, even otherwise, no taxable income survives.

13. The levy of tax under section 115BBE is illegal and unsustainable, as the foundational addition itself is bad in law and on facts.

14. The impugned orders are based on presumptions, surmises and non-consideration of material on record, and are liable to be quashed.

15. In view of the facts and circumstances of the case and the grounds urged hereinabove, the Appellant respectfully prays that this Hon'ble Tribunal may be pleased to:

- *set aside the assessment order passed under section 147 read with section 144 of the Income-tax Act, 1961, along with the corresponding penalty proceedings, and remit the matter back to the Assessing Officer for fresh consideration after verifying the records and affording due opportunity of being heard to the Appellant.*

- *The Appellant craves leave to add, alter, amend or withdraw any of the above grounds at the time of hearing.”*

2. Briefly, the facts of the case are that the appellant is a Co-operative Society registered under the provisions of Tamilnadu Co-operative Society Act, 1983. It is formed with the object of providing credit facilities to its members and accepts deposits from its members. It is classified as a Primary Agricultural Cooperative Credit Society. The appellant had not filed the Return of Income under the provision of section 139(1) of the Act for the A.Y.2018-19. Based on the information that the appellant society made cash deposit in the account maintained with Vellore District Central Cooperative Bank, the Assessing Officer formed an opinion that income got escaped from assessment to tax. Accordingly, the Assessing Officer issued a notice under section 148 of the Act on 31.03.2022. The appellant society neither complied with notice on section 148 of the Act, nor the notices issued under section 142(1) of the Act.

3. In the circumstances, Assessing Officer proceeded with framing the best judgment assessment under section 144 vide order dated 06.03.2023 passed under section 147 r.w.s 144 read with section 144B of the Income Tax Act, 1961 at a total income of Rs.51,16,436/-. While doing so, the Assessing Officer made addition on cash deposit in the current account maintained with IDBI Bank on unexplained money of the appellant.

4. Being aggrieved by the above assessment order, the appellant preferred an appeal before the Id.CIT(A) with a delay of 164 days. The appellant also filed a petition before the Id.CIT(A) seeking the condonation of delay on the ground that the delay had occurred on account of the fact that the appellant was unaware of the assessment order, as it was not aware of the assessment order passed by the Assessing Officer, Assessee was not well-versed with computer, email etc. However, Id.CIT(a) refused to condone

the delay by holding that ignorance of law is no excuse placing reliance on certain judicial decisions.

5. Being aggrieved by the order of Id.CIT(A), appellant filed appeal before this Tribunal.

6. Ld.Authorised Representative(Id.AR) for the Assessee submits that the appellant could not cause appearance before lower authorities owing to the fact that the appellant was not well-versed with the computer, email etc., and the notice issued by the lower authorities went unnoticed. Therefore, he prayed that a fresh opportunity may be grant to explain the source of cash deposits in bank account before the Assessing Officer.

7. Ld.Senior Departmental Representative(Id.Sr.DR) for the Revenue had vehemently opposed the above submission.

8. We have heard both the parties and perused the material available on records. The issue that arises for reconsideration is

whether the Id.CIT(A) was justified in refusing the condonation of delay of 164 days in presenting appeal before him. There is no dispute that appellant that there was delay in filing the appeal before Id.CIT(A) by 164 days. It was explained that the appellant was not aware of the assessment order passed by the e-Assessment. The Id.CIT(A) had not found the explanation offered by the appellant to be false. In the absence of any evidence to the contrary, the Id.CIT(A) ought to have condoned the delay and admit the appeal for adjudication on merits. It is trite law that the period of limitation for filing appeal should be reckoned from the day the Assessee had knowledge of the impugned order. Keeping in view, this well settled position of law, we are of the considered opinion that the Id.CIT(A) ought not to have refused the condonation of delay of 164 days and therefore we remit the matter back to the file of Id.CIT(A) for *denovo* adjudication of the issues in appeal on merits after affording a reasonable opportunity of being heard to the appellant society.

9. In the result, appeal of the Assessee stands partly allowed for statistical purpose.

Order pronounced on this 11th day of March, 2026.

Sd/- (GEORGE GEORGE K) **Sd/-** (INTURI RAMA RAO)
उपाध्यक्ष /VICE PRESIDENT लेखा सदस्य/ACCOUNTANT MEMBER
पुणे / Chennai; दिनांक / Dated : 11th March, 2026.
SGR

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, "डी" बेंच, चेन्नई / DR, ITAT, "D" Bench, Chennai.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, चेन्नई / ITAT, Chennai.