

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई।
IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH: CHENNAI

सुश्री पद्मवती यस, लेखक सदस्य एवं श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष
BEFORE MS. PADMAVATHY.S, ACCOUNTANT MEMBER AND
SHRI MANU KUMAR GIRI, JUDICIAL MEMBER

आयकर अपील सं./ITA No.3228/Chny/2025

&

SA No.101/Chny/2026

(Arises in ITA No.3228/Chny/2025)

निर्धारण वर्ष /Assessment Year: 2022-23

A2455 Madurai Electricity System
PSCS,
174B EB EMP CS A2455,
Madurai – 625 007.
PAN: AAGAA 7697G

The Income Tax Officer,
Vs. Non Corporate Ward-1(1),
Madurai.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by
प्रत्यर्थी की ओर से /Respondent by

: Mr. S. Girish Kumar, Advocate
: Ms. Balamirtha, JCIT

सुनवाई की तारीख/Date of Hearing

: 24.03.2026

घोषणा की तारीख /Date of Pronouncement

: 08.04.2026

आदेश / ORDER

PER PADMAVATHY.S, A.M:

This appeal and the stay application by the assessee are against the order of the Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre (NFAC), Delhi, (in short "CIT(A)") passed u/s. 250 of the Income Tax Act, 1961 (in short "the Act") dated 25.08.2025 for Assessment Year (AY) 2022-23.

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2. The assessee is a cooperative credit society registered under Tamil Nadu Cooperatives Societies Act, 1983. The main activity of the assessee is to provide credit facilities to its Members and mobilizing deposits from them. The assessee filed the return of income for AY 2022-23 on 05.11.2022 declaring total income of Rs. Nil after claiming deduction u/s. 80P(2)(a)(i) of the Act to the tune of Rs. 2,03,66,049/-. The case was selected for scrutiny and the statutory notices were duly served on the assessee. The assessee did not represent before the A.O and therefore the A.O disallowed the deduction claimed u/s. 80P(2)(a)(i) of the Act stating that the assessee has not furnished any documentary evidences substantiating that the interest earned is from providing credit facilities to its members. Aggrieved, the assessee filed further appeal before the CIT(A). The CIT(A) confirmed the disallowance for the same reason that the assessee did not file any supporting evidences. The assessee is in appeal before the Tribunal against the order of the CIT(A).

3. There is a delay of 12 days in filing the appeal by the assessee. The assessee has filed condonation petition/affidavit stating the reasons for delay in filing the appeal. Having heard both the parties and perused the material on record, we are of the view that there is a reasonable and sufficient cause for the delay in filing the appeal before the Tribunal. Therefore following the Hon'ble Supreme Court decision in the case of *Collector, Land Acquisition Vs. MST.Katiji & Ors., (167 ITR 471) (SC)*, we condone the delay in filing the appeal and admit the appeal for adjudication.

4. We have heard the parties, and perused the material available on record. The Ld. Authorized Representative (AR) of the assessee submitted

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that the primary activity of the assessee is to provide credit facilities to its members by mobilizing deposits from the members. The Ld. AR further submitted that due to lack of professional support to represent the case the assessee could not furnish the relevant details before the lower authorities. Accordingly, the Ld. AR prayed for one more opportunity to represent the case properly before the lower authorities. The Ld. AR drew our attention to the table containing the breakup of interest accrued and received by the assessee to submit that the entire interest earned is from the regular business activity of the assessee which is eligible for deduction u/s. 80P(2)(a)(i) of the Act. From the perusal of the orders of the lower authorities, we notice that the only reason for denying the deduction u/s. 80P(2)(a)(i) of the Act is that the assessee could not furnish any documentary evidences that the income is earned in the normal course of business. Considering the facts and circumstances peculiar to assessee's case, we are inclined to give one more opportunity to the assessee to substantiate the claim of deduction u/s. 80P(2)(a)(i) of the Act by producing the required details. Accordingly we remit the back to the AO with the direction to call for necessary details and allow the deduction in accordance with law. The assessee is required to submit the necessary details as may be called for and cooperate with assessment proceedings. It is ordered accordingly.

S.A No.101/Chny/2026:

5. In view of our decision in the appeal as elaborated herein above the stay application filed by the assessee has become infructuous. Accordingly the same is dismissed as infructuous.

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6. In the result, the appeal of the assessee is allowed for statistical purposes and the stay application of the assessee is dismissed as infructuous.

Order pronounced on 08th day of April, 2026 at Chennai.

**Sd/-
(मनु कुमर गिरि)
(Manu Kumar Giri)**

न्यायिक सदस्य / Judicial Member

**Sd/-
(पद्मवती यस)
(Padmavathy.S)**

लेखा सदस्य / Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 08th April, 2026.

EDN, Sr. P.S

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF