IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CWP No.24673 of 2026 (O&M)

Alaknanda Coop. Group Housing Society Ltd.

.....Petitioner

Versus

Chief Commissioner of Income Tax and others

.....Respondents

1.	The date when the judgment is reserved	25.08.2026
2.	The date when the judgment is pronounced	16.09.2026
3.	The date when the judgment is uploaded on the website	16.09.2026
4.	Whether only operative part of the judgment is pronounced or whether the full judgment is pronounced	Full
5.	The delay, if any, of the pronouncement of full judgment, and reasons thereof	Not applicable

CORAM : HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MR. JUSTICE SUNISH BINDLISH

Present : Mrs. Radhika Suri, Senior Advocate with
Mr. Abhinav Narang, Advocate,
Ms. Parnika Singla, Advocate and
Mr. Sidhant Suri, Advocate
for the petitioner.

Mr. Saurabh Kapoor, Senior Standing Counsel and
Mr. Rana Gurtej Singh, Junior Standing Counsel
for the respondent(s)-Income Tax Department.

* * *

DEEPAK SIBAL, J.

(1) Under challenge through this petition is the order dated 15.06.2026, passed by the Chief Commissioner of Income Tax, Panchkula (for short – CCIT) rejecting an application filed by the petitioner seeking therein condonation of delay of 34 days in filing of its income tax return (for short - ITR) for the assessment year 2020-21.

BRIEF FACTS

(2) The petitioner is a cooperative society registered under the Societies Registration Act, 1860. For the assessment year 2020-21, the last date for filing of income tax returns was 31.07.2020 which, on account of the spread of COVID-19, was extended by the respondent-authorities to 15.02.2021. Since the petitioner had not filed its ITR on or before 15.02.2021, on 09.03.2021, the petitioner filed an application before the respondent-authorities seeking therein condonation of delay in filing of its ITR on the ground that such delay had occurred on account of spread of COVID-19 and late receipt of audit reports which statutorily were required to be routed through the State department. On 17.03.2021, the respondent-authorities informed the petitioner that a belated ITR could be filed under Section 139(4) of the Income-tax Act, 1961 (for short – the Act). Accordingly, on 20.03.2021, the petitioner filed its ITR through which it claimed deduction under Section 80P of the Act. The petitioner's ITR was processed and through assessment order dated 19.09.2022, passed under Section 143(3) read with Section 144B of the Act, the petitioner was denied deduction under Section 80P of the Act. Such denial was based on Section 80AC(ii) of the Act because the petitioner had not filed its ITR for the assessment year 2020-21 within the specified time. The petitioner challenged the assessment order dated 19.09.2022 through filing of a statutory appeal under Section 246A of the Act which was dismissed on 12.12.2025 by the Commissioner of Income Tax (Appeals) [for short -

CIT(A)]. On 12.01.2026, the petitioner then filed an application to the CCIT seeking therein condonation of delay of 34 days in the filing of its ITR for the assessment year 2020-21. For condonation of the afore delay, the petitioner solely relied on circular No.13/2023 dated 26.07.2023 issued by the Central Board of Direct Taxes (for short – the CBDT). In the meanwhile, the petitioner challenged order dated 12.12.2025 passed by the CIT(A), through filing of an appeal before the Income Tax Appellate Tribunal, New Delhi (for short – ITAT), which appeal was disposed of on 19.03.2026 upholding the order of the CIT(A) dated 12.12.2025 but at the same time granting liberty to the petitioner to pursue its aforesaid application dated 12.01.2026, pending before the CCIT, through which the petitioner had sought condonation of delay relying on the CBDT's circular No.13/2023 dated 26.07.2023. In terms of the liberty granted by the ITAT, the petitioner pursued its application dated 12.01.2026, which resulted in the passing of an order dated 15.06.2026 by the CCIT, rejecting the petitioner's prayer for condonation of delay in the filing of its ITR *inter alia* on the ground that CIT(A) had upheld the disallowance in the petitioner's case under Section 80P of the Act and that the case of the petitioner also did not fall within the eligible categories under the CBDT's circular No.09/2015 dated 09.06.2015. Aggrieved by the order of the CCIT dated 15.06.2026, the petitioner has knocked the doors of this Court through the instant petition.

SUBMISSIONS

(3) Mrs. Radhika Suri, learned senior counsel for the petitioner, submitted that the delay of 34 days in filing of the petitioner's ITR for the assessment year 2020-21 occurred on account of spread of COVID-19 which had also contributed towards the delay in the receipt of the audit report by the petitioner which report was statutorily required to be routed through the State department; since the petitioner was a cooperative society seeking, on the ground of genuine hardship, condonation of delay in the filing of its ITR to claim therein deduction under Section 80P of the Act, its case was fully covered under the CBDT's circular No.13/2023 dated 26.07.2023 and that through the impugned order dated 15.06.2026, the CCIT did not even refer to the CBDT's circular No.13/2023 dated 26.07.2023 and wrongly relied on CBDT's circular No.09/2015 dated 09.06.2015, which circular, being general in nature, did not apply to delayed filing of ITRs by cooperative societies like the petitioner.

(4) In support of her submissions, learned senior counsel placed reliance on a judgment of the Madras High Court in ***T943 Vickrapandiyam Primary Agricultural Co-operative Credit Society Ltd. Vs. Chief Commissioner of Income-tax, (2026) 187 taxmann.com 97 (Madras).***

(5) Per contra, Mr. Saurabh Kapoor, who appeared for the revenue, sought to justify the impugned order and submitted that the petitioner received its audit report on 22.02.2021 but filed its ITR for the relevant assessment year only on 20.03.2021 i.e. after 26 days which delay remains unexplained by the petitioner and therefore, on this ground alone the present petition deserves dismissal.

(6) In rebuttal, Mrs. Suri submitted that the alleged delay of 26 days, on which Mr. Kapoor relies, stands fully explained by the petitioner because after the receipt of the audit report by the petitioner on 22.02.2021, the petitioner had filed an application dated 09.03.2021 before the respondent-authorities seeking therein condonation of delay in the filing of its ITR which application was responded to by the income tax authorities through letter dated 17.03.2021 advising the petitioner to file its belated ITR under Section 139(4) of the Act which advice was followed by the petitioner resulting in the filing of its ITR within 03 days thereafter i.e. on 20.03.2021.

ANALYSIS AND CONCLUSION

(7) After having heard learned counsel for the parties, the following undisputed facts have emerged :-

(i) The petitioner is a cooperative society registered under the Societies Registration Act, 1860;

(ii) For the assessment year 2020-21, the last date for filing of the income tax returns was 15.02.2021;

(iii) The petitioner received its audit reports on 22.02.2021 which reports are required to be appended along with income tax returns of cooperative societies to seek deduction under Section 80P of the Act;

(iv) On 09.03.2021, the petitioner filed an application seeking condonation of delay in the filing of its ITR which was responded to by the Income Tax authorities through letter dated 17.03.2021 advising the petitioner to file its belated ITR under Section 139(4) of the Act which the petitioner did on 20.03.2021;

(v) On 19.09.2022, assessment order in the petitioner's case, for the assessment year 2020-21, was passed through which the petitioner's claim for deduction under Section 80P was disallowed by placing reliance on Section 80AC(ii) of the Act as there was delay in the filing of the petitioner's income tax return;

(vi) On 12.01.2026, the petitioner, relying on the CBDT's circular No.13/2023 dated 26.07.2023, filed an application before the CCIT seeking therein condonation of delay of 34 days in the filing of its ITR for the assessment year 2020-21;

(vii) The petitioner also filed an appeal under Section 246A of the Act to challenge therein the assessment order dated 19.09.2022 which was dismissed by CIT(A) on 12.12.2025 and the petitioner's appeal before ITAT with regard to the challenge to the order of the CIT(A) dated 12.12.2025 was also dismissed on 19.03.2026. However, the ITAT through its order dated 19.03.2026, granted liberty to the petitioner to pursue its application dated 12.01.2026 already filed by the petitioner before the CCIT seeking therein condonation of delay of 34 days in the filing of its ITR for the assessment year 2020-21 by relying on CBDT's circular No.13/2023 dated 26.07.2023 and that

(viii) In terms of the liberty granted by the ITAT, the petitioner pursued its application dated 12.01.2026 which was dismissed by the CCIT through order dated 15.06.2026 *inter alia* relying on CBDT's circular No.9/2015 dated 09.06.2015.

(8) The order of the CCIT dated 15.06.2026 is the subject matter of challenge through the instant petition.

(9) At this stage, it would be apposite to refer to Section 80AC (ii) of the Act as also CBDT's circulars No.09/2015 dated 09.06.2015 and No.13/2023 dated 26.07.2023. Section 80AC(ii) and both the said circulars are reproduced below for ready reference :-

"Deduction not to be allowed unless return furnished.

80AC. Where in computing the total income of an assessee of any previous year relevant to the assessment year commencing on or after—

(i) xx xx xx xx xx

(ii) the 1st day of April, 2018, any deduction is admissible under any provision of this Chapter under the heading "C.— Deductions in respect of certain incomes",

no such deduction shall be allowed to him unless he furnishes a return of his income for such assessment year on or before the due date specified under sub-section (1) of section 139."

Circular No.09/2015 dated 09.06.2015

"SECTION 119 OF THE INCOME-TAX ACT, 1961 - INCOME-TAX AUTHORITIES - INSTRUCTIONS TO SUBORDINATE AUTHORITIES - CONDONATION OF DELAY IN FILING REFUND CLAIM AND CLAIM OF CARRY FORWARD LOSSES UNDER SECTION 119(2)(b)

CIRCULAR 9/2015 [F.NO.312/22/2015-OT], DATED 9-6-2015

In supersession of all earlier Instructions/Circulars/Guidelines issued by the Central Board of Direct Taxes (the Board) from time to time to deal with the applications for condonation of delay in filing returns claiming refund and returns claiming carry forward of loss and set-off thereof under section

119(2)(b) of the Income-tax Act, (the Act) the present Circular is being issued containing comprehensive guidelines on the conditions for condonation and the procedure to be followed for deciding such matters.

2. The Principal Commissioners of Income-tax/Commissioners of Income-tax (Pr.CsIT/CsIT) shall be vested with the powers of acceptance/rejection of such applications/claims if the amount of such claims is not more than Rs.10 lakhs for any one assessment year. The Principal Chief Commissioners of Income-tax/Chief Commissioners of Income-tax (Pr.CCsIT/CCsIT) shall be vested with the powers of acceptance/rejection of such applications/claims if the amount of such claims exceeds Rs.10 lakhs but is not more than Rs. 50 lakhs for any one assessment year. The applications/claims for amount exceeding Rs.50 lakhs shall be considered by the Board.

3. No condonation application for claim of refund/loss shall be entertained beyond six years from the end of the assessment year for which such application/claim is made. This limit of six years shall be applicable to all authorities having powers to condone the delay as per the above prescribed monetary limits, including the Board. A condonation application should be disposed of within six months from the end of the month in which the application is received by the competent authority, as far as possible.

4. In a case where refund claim has arisen consequent to a Court order, the period for which any such proceedings were pending before any Court of Law shall be ignored while calculating the said period of six years, provided such condonation application is filed within six months from the end of the month in which the Court order was issued or the end of financial year whichever is later.

5. The powers of acceptance/rejection of the application within the monetary limits delegated to the Pr.CCsIT/CCsIT/Pr.CsIT/CsIT in case of such claims will be subject to Following conditions:

i. At the time of considering the case under Section 119(2)(b), it shall be ensured that the income/loss declared and/or refund claimed is correct and genuine and also that the case is of genuine hardship on merits.

ii The Pr.CCIT/CCIT/Pr.CIT/CIT dealing with the case shall be empowered to direct the jurisdictional assessing officer to make necessary inquiries or scrutinize the case in accordance with the provisions of the Act to ascertain the correctness of the claim.

6. A belated application for supplementary claim of refund (claim of additional amount of refund after completion of assessment for the same year) can be admitted for condonation provided other conditions as referred above are fulfilled. The powers of acceptance/rejection within the monetary limits delegated to the Pr.CCsIT/CCsIT/Pr.CsJT/CsIT in case of returns claiming refund and supplementary claim of refund would be subject to the following further conditions:

i. The income of the assessee is not assessable in the hands of any other person under any of the provisions of the Act.

ii. No interest will be admissible on belated claim of refunds.

iii. The refund has arisen as a result of excess tax deducted/collected at source and/or excess advance tax payment and/or excess payment of self-assessment tax as per the provisions of the Act.

7. In the case of an applicant who has made investment in 8% Savings (Taxable) Bonds, 2003 issued by Government of India opting for scheme of cumulative interest on maturity but has accounted interest earned on mercantile basis and the intermediary bank at the time of maturity has deducted tax at source on the entire amount of interest paid without apportioning the accrued interest/TDS, over various financial years involved, the time limit of six years for making such refund claims will not be applicable.

8. This circular will cover all such applications/claims for condonation of delay under section 119(2xb) which are pending as on the date of issue of the Circular.

9. The Board reserves the power to examine any grievance arising out of an order passed or not passed by the authorities mentioned in para 2 above and issue suitable directions to them for proper implementation of this Circular. However, no review of or appeal against the orders of such authorities would be entertained by the Board."

Circular No.13/2023 dated 26.07.2023

"Sub:- Condonation of delay under clause (b) of sub-section (2) of section 119 of the Income-tax Act, 1961 for returns of income claiming deduction u/s 80P of the Act for various assessment years from AY 2018-19 to AY 2022-23— Reg.

Section 80P of the Income-tax Act, 1961 (hereafter referred to as 'Act') provides for deduction in respect of income of co-operative societies under Chapter VIA-Part-C ("Deductions in respect of certain incomes") of the Act.

2. In so far as section 80P of the Act is concerned, Finance Act, 2018 substituted section 80AC of the Act w.e.f. 01.04.2018 which provides as under —

Deduction not to be allowed unless return furnished.

80AC. Where in computing the total income of an assessee of any previous year relevant to the assessment year commencing on or after—

(i) the 1st day of April, 2006 but before the 1st day of April, 2018, any deduction is admissible under section 80-IA or section 80-IAB or section 80-IB or section 80-IC or section 80-ID or section 80-1E;

(ii) the 1st day of April, 2018, any deduction is admissible under any provision of this Chapter under the heading "C.–Deductions in respect of certain incomes",

no such deduction shall be allowed to him unless he furnishes a return of his income for such assessment year on or before the due date specified under sub-section (1) of section 139.

3. Applications have been received in the Central Board of Direct Taxes (hereafter referred to as 'the Board') from co-operative societies claiming deduction u/s 80P of the Act for various assessment years from AY 2018-19 to AY 2022-23, regarding condonation of delay in furnishing return of income and to treat such returns as 'returns furnished within the due date under sub- section (1) of section 139 of the Act stating that delay in furnishing return of income was caused due to delay in getting the accounts audited under respective State Laws.

4. In order to mitigate genuine hardship in cases referred to in para 3, the Board, in exercise of the powers conferred under section 119 of the Act, hereby directs that the Chief Commissioners of Income-tax (CCsIT) / Directors General of Income-tax (DGsIT) are authorised to deal with such applications of condonation of delay pending before the Board, upon transfer of such applications by the Board, and decide such applications on merits, in accordance with the law.

5. The Board hereby further directs that the CCsIT/DGsIT, henceforth, shall admit all pending as well as new applications for condonation of delay in furnishing returns of income claiming deduction u/s 80P of the Act, filed either in the Board or in field formation for the assessment years 2018-19 to 2022-23 and decide such applications on merits in accordance with the law where such person is required to get his accounts audited under respective State Laws.

6. In the context of para-5 above, the CCsIT/DGsIT while deciding such applications for condonation of delay in furnishing return of income, shall satisfy themselves that the applicant's case is a fit case for condonation under the existing provisions of the Act. The CCsIT/DGsIT shall examine the following while deciding such applications —

(i) the delay in furnishing the return of income within the due date under sub-section (1) of section 139 of the Act was caused due to circumstances beyond the control of the assessee with appropriate documentary evidence/s;

(ii) where delay in furnishing return of income was caused due to delay in getting the accounts audited by statutory auditors appointed under the respective State Law under which such person is required to get his accounts audited, the date of completion of audit vis-a-vis the due date of furnishing the return of income under sub-section (1) of section 139 of the Act; and

(iii) any other issue indicating towards tax avoidance or tax evasion specific to the case, which comes into the light in the course of verification and having bearing either in the relevant assessment year or establishing connection of relevant assessment year with other assessment year/s.

6.1 The cases falling under para 6(iii) above, would require further necessary action as per law.

7. The CCsIT/DGsIT shall preferably dispose the application within three months from the end of the month in which such application is received from the applicant or transferred by the Board. No order rejecting the application under section 119(2)(b) of the Act shall be passed without providing the applicant an opportunity of being heard.

8. Hindi version to follow.

-sd-
Director (ITA-I)"

(emphasis supplied)

(10) Section 80AC(ii) of the Act provides that deductions admissible under any provision of the Chapter C.- "Deductions in respect of certain incomes" shall not be allowed if the assessee does not furnish his ITR for the relevant assessment year on or before the due date specified under Section 139(1) of the Act. However, after making a specific reference to Section 80AC, under Section 119(2)(b) of the Act, the CBDT has issued circular No.13/2023 dated 26.07.2023 as per which circular, applications filed by cooperative societies for condonation of delay in the filing of ITRs, seeking therein deduction under Section 80P of the Act, for the assessment years 2018-19 to 2022-23, were required to be considered in terms of the said circular.

(11) In the case in hand, which pertains to the assessment year 2020-21, the petitioner, a cooperative society, claims deduction under Section 80P of the Act after seeking condonation of delay in the filing of its income tax return. Therefore, the petitioner's case is found to fit like a glove onto the CBDT's circular No.13/2023 dated 26.07.2023.

On a comparison, CBDT's circular No.9/2015 dated 09.06.2015 is found to apply to applications filed by the assesses seeking therein condonation of delay in filing of income tax returns claiming refunds and returns claiming carry forward of loss/set-off thereof.

Thus, CBDT's circular No.13/2023 dated 26.07.2023 which specifically deals with applications for condonation of delay in the filing of ITRs by cooperative societies seeking deduction under Section 80P of the Act would elbow out applicability, to the petitioner's case, CBDT's circular No.9/2015 dated 09.06.2015.

(12) A perusal of the impugned order dated 15.06.2026, passed by the CCIT reveals that the petitioner's prayer for condonation of delay in the filing of its ITR has been rejected by relying on circular No.09/2015 dated 09.06.2015 which, in the light of our observations, as above, renders such order to be unsustainable.

A reading of the impugned order dated 15.06.2026 further shows that the same has been passed without even referring to circular No.13/2023 dated 26.07.2023 showing complete non-application of mind on the part of its author especially when a perusal of the petitioner's application dated 12.01.2026, shows that the petitioner had solely based its claim on circular No.13/2023 dated 26.07.2023.

(13) Through the impugned order dated 15.06.2026, the CCIT is found to have rejected the petitioner's claim *inter alia* on the ground that the CIT(A) through its order dated 12.12.2025 had considered and upheld the disallowance of deduction under Section 80P of the Act. This ground could and should have not been made the basis to reject the petitioner's application for the simple reason that against the order of CIT(A) dated 12.12.2025, the petitioner had preferred an appeal before the ITAT which was decided on 19.03.2026, through which decision, the ITAT had granted liberty to the petitioner to pursue its application dated 12.01.2026, filed by the petitioner seeking therein condonation of delay in the filing of its ITR for the assessment year 2020-21 in the terms of CBDT's circular No.13/2023 dated 26.07.2023. Relevant portion of the order of the ITAT dated 19.03.2026 is reproduced below for ready reference :-

> *"4. Learned counsel next submits that assessee has filed its condonation petition before the prescribed authority seeking to treat its return in issue as filed for the purpose of claiming the impugned deduction, in light of the CBDT's Circular No. 13/2023*

which is stated to be pending till date. This tribunal is of the considered view that although no interference is made out at this stage, the assessee shall be at liberty to take recourse to appropriate proceedings in case its forgoing condonation petition stands accepted; if so advised."

(14) In view of the liberty granted to the petitioner by the ITAT, the CCIT should have considered and decided the petitioner's application for condonation of delay dated 12.01.2026 uninfluenced by the decision of CIT(A) dated 12.12.2025, which he did not.

(15) In view of the afore observations of ours, with regard to passing of the impugned order by the CCIT having not applied his mind by relying on the wrong circular and in the light of the liberty granted by the ITAT having also erroneously based his decision on the dismissal of the petitioner's appeal by the CIT(A), we would have normally remitted the matter to the CCIT for a fresh decision but having considered the matter on its merits, we are of the view that the petitioner's application, seeking condonation of delay in the filing of its ITR for the assessment year 2020-21, claiming therein deduction under Section 80P of the Act, deserves acceptance and our reasons for reaching at such conclusion are as follows:-

For the assessment year 2020-21, the petitioner should have filed its ITR on or before 15.02.2021 but it did so on 20.03.2021, resulting in a delay of 34 days in its filing.

In February/March, 2021 COVID-19 had spread its tentacles far and wide. Its scare was present all over the world and India was no exception. Spread of COVID-19 resulted in imposition of several restrictions, in public interest, by the Government of India. These restrictions applied in February/March, 2021. It was in the interest of the public to adhere to the imposed restrictions. One of the restrictions imposed was with regard to prohibition to hold public gatherings/meetings. Periodic lockdowns were also imposed. It was during such period that there was a delay of 34 days in the filing of its ITR by the petitioner. Delay in the receipt of the petitioner's audit report, resulting in the late filing of the ITR was also attributable to the spread of COVID-19. Thus, the circumstances leading to the delay of only 34 days on the petitioner's part in the filing of its ITR were beyond the petitioner's control especially when it is not disputed that the petitioner's audit report was also statutorily required to be routed through the State Audit Department.

The afore peculiar facts clearly bring the petitioner's case for condonation of delay under Clause 6(i) and (ii) of the CBDT's circular No.13/2023 dated 26.07.2023 and that of "genuine hardship". The CCIT is found to have taken a hyper technical view to reject the petitioner's case which should have been avoided. While applying circulars issued by the CBDT under Section 119(2)(b) of the Act the income tax authorities should be liberal because these circulars apply to cases of genuine hardships being faced by the assessees.

(16) The afore view of ours finds support from the following observations of the Madras High Court in ***T943 Vickrapandiyam Primary Agricultural Co-operative Credit Society Ltd.'s*** case (supra) :-

> *5.5. In fact, when there is no tax evasion and only a procedural error in not filing the Income Tax returns in time is involved, then, as rightly contended by the learned counsel for the petitioners, this Court in R. Seshammal case (cited supra) held that such a plea would be technical. As rightly contended by the Cooperative Societies, the*

hardship appears genuine. The various Judgments cited supra on the alleviation of genuine hardship would apply to the facts in the instant cases.

5.6. Considering the genuine hardship, the CBDT has exercised its power under Section 119(2)(b) of the Income Tax Act, 1961. The CBDT is always entitled to issue circulars granting administrative relief to assessees, such as extensions of time, to alleviate genuine hardships. In this context, the circular was issued on 26.07.2023. It is essential to extract paragraph No. 6 of the Circular, which reads as follows:-

> *"6. In the context of para-5 above, the CCsIT/DGsIT while deciding such applications for condonation of delay in furnishing retum of income, shall satisfy themselves that the applicant's case is a fit case for condonation under the existing provisions of the Act. The CGsIT/DGsIT shall examine the following while deciding such applications -*
>
> > *(i) the delay in furnishing the return of income within the due date under sub-section (1) of section 139 of the Act was caused due to circumstances beyond the control of the assessee with appropriate documentary evidence/s;*
> >
> > *(ii) where delay in furnishing return of income was caused due to delay in getting the accounts audited by statutory auditors appointed under the respective State Law under which such person is required to get his accounts audited, the date of completion of audit vis-à-vis the due date of furnishing the return of Income under sub-section (1) of section 139 of the Act, and*
> >
> > *(iii) any other issue indicating towards tax avoidance or tax evasion specific to the case, which comes into the light in the course of verification and having bearing either in the relevant assessment year or establishing connection of relevant assessment year with other assessment year/s.*
>
> *6.1 The cases falling under para 6(iii) above, would require further necessary action as per law."*

5.7. Thereafter, by a subsequent circular dated 30.10.2024 bearing No. 14/2024, the same was extended for the year 2023 – 2024. Thus, the CBDT, taking into consideration the genuine hardship from the

> *year 2018 – 2019 up to the year 2023 – 2024, had issued the above circular, empowering the Chief Commissioner of Income Tax to condone the delay in filing the returns. However, the Chief Commissioner of Income Tax, instead of considering the true spirit and benevolent object of the Circular, namely, to condone the delay and extend the substantial relief otherwise available to the Cooperative Societies, proceeded to interpret the Circular in a restrictive manner. The authority adopted a hyper- technical approach by confining the consideration of condonation strictly to the delay in filing the statutory audit report and further insisted upon an explanation for each day's delay, contrary to the liberal and purposive interpretation intended under the Circular."*

(17) In the light of the above discussion, the impugned order dated 15.06.2026, passed by the CCIT, is set aside. The delay of 34 days in the filing of the petitioner's income tax return for the assessment year 2020-21 is ordered to be condoned and resultantly, the respondents are directed to consider the petitioner's case with regard to its claim for deduction under Section 80P of the Act, for the assessment year 2020-21, in accordance with law.

(18) The petition is allowed in the above terms.

(DEEPAK SIBAL)
JUDGE

16.09.2026
sunil yadav

(SUNISH BINDLISH)
JUDGE

Whether speaking/reasoned : Yes / No
Whether reportable : Yes / No