



आयकर अपीलीय न्यायाधिकरण, पुणे न्यायपीठ, "बी" बेंच, पुणे में।
IN THE INCOME TAX APPELLATE TRIBUNAL, PUNE "B" BENCH, PUNE
BEFORE SHRI SS VISWANETHRA RAVI, JUDICIAL MEMBER
AND

SHRI G. D. PADMAHSHALI, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No. 498/PUN/2021
निर्धारण वर्ष / Assessment Year : 2017-2018

Rajabhau Mantri Sah. Patsanstha Maryadit

At & Post Kasoda, Jalgaon.

PAN : AAAJR0682F

..... अपीलार्थी / **Appellant**

बनाम / V/s.

Income Tax Officer,

Ward 1(4), Jalgaon.

..... प्रत्यर्थी / **Respondent**

द्वारा / Appearances

Assessee by : None for the Assessee

Revenue by : Shri M. G. Jasnani

सुनवाई की तारीख / Date of conclusive Hearing : 06/09/2022

घोषणा की तारीख / Date of Pronouncement : 06/09/2022

आदेश / ORDER

PER G. D. PADMAHSHALI, AM;

The appeal is assailed against the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi [for short "**NFAC**"] dt.18/08/2021 passed u/s 250 of Income-Tax Act, 1961 [for short "**the Act**"], which leapt out of best judgement order passed u/s 144 of the Act by ITO Ward1(4), Jalgaon [for short "**AO**"] dt. 24/12/2019, for assessment year [for short "**AY**"] 2017-2018.



2. The sole dispute contested under the present appeal spins around sustainability of addition made u/s 69A on account of cash deposited during demonetisation period and its taxation u/s 115BBE of the Act.

3. Tersely stated facts borne out of record are; the assessee is a credit co-operative society and engaged in providing credit facilities to its member, has for AY 2017-18 filed its Income Tax Return [for short **"ITR"**] on 04/11/2017 declaring **"NIL"** taxable income after claiming a deduction u/s 80P for sum of ₹33,48,909/-. The ITR in the first instance was processed summarily u/s 143(1) of the Act and then subjected to CASS by service of notice dt. 23/08/2018 u/s 143(2) of the Act. The assessee by further issue of show cause notice u/s 144 [for short **"SCN"**] dt. 16/11/2019 was asked to explain the source and nature of cash deposits of ₹25,19,000/- found made into its JDCC bank and Central Bank of India, however in the absence of any representation on SCN, for time-barring reasons the assessment was finalised u/s 144 of the Act to the best of judgment on the basis of material available on record by



assessing the total income at ₹30,12,608/- on account of following two items;

- a. Addition u/s 69A for sum of ₹25,19,000/- on account of unexplained cash deposits made during the demonetisation period.
- b. Disallowance of interest from banks u/s 80P(2)(a)(i) for sum of ₹4,92,708/-

4. The assessee's submission in an appeal before first appellate authority did yield partial relief towards the claim of deduction u/s 80P, however the NFAC echoed with the views of Ld. AO in confirming the addition u/s 69A r.w.s. 115BBE, consequently the appellant is before the Tribunal seeking reversal of impugned addition.

5. In the absence of assessee, the ex-parte hearing was held, wherein the learned departmental representative [for short "**DR**"] inviting our attention to the factual matrix candidly submitted that, during the course of original assessment proceedings the assessee was short of sufficient time and opportunity to explain the nature and source of cash deposits made into its bank accounts and



having regards to the nature of credit business the appellant engaged into, the matter needs to be remanded back to the file of Ld. AO for de-nova verification of claims in so far as the cash deposits are concerned.

6. After hearing to Ld. DR contentions; and subject to the provisions of rule 18 of Income Tax Appellate Tribunal Rules, 1963 [for short "**ITAT, Rules**"] perused the material placed on records and duly considered the facts of the case in the light of settled legal position.

7. We see that, it remained an undisputed fact that, the SCN seeking explanation about the nature and source of cash deposits was issued on 16/11/2019, and in the absence of any material or response from the assessee the assessment was farmed on 24/12/2019 and such addition remained unaltered in first appellate proceedings for the equi-reasons. Thus it is apparent and **ispo-facto** sufficient to hold that, the appellant during the original assessment proceedings was precluded by an insufficient time and insufficient opportunity to substantiate its claim



in explaining nature and source of cash deposits, which ultimately culminated in the absence of evidential material, and same was perfunctorily confirmed by the NFAC in first appellate proceedings. In the event, the interest of justice will be served if the matter is restored back to the file of Ld. AO for de-nova adjudication in accordance with law on the ground of violations of principles of natural justice.

8. In the light of aforesaid discussion, the impugned NFAC order is set-aside and the file is restored back to the Ld. AO for fresh adjudication in terms of above.

9. **Resultantly, the appeal of the appellant assessee is allowed in aforestated terms**

In terms of rule 34 of ITAT Rules, the order pronounced in the open court on this Tuesday 06th day of September, 2022.

-S/d-

SS VISHWANETHRA RAVI
JUDICIAL MEMBER

-S/d-

G. D. PADMAHSHALI
ACCOUNTANT MEMBER

पुणे/ PUNE ; दिनांक / Dated : 06thday of September, 2022.



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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT, Pune (Mh-India)
4. The CIT, Jalgaon (Mh-India)
5. विभागीय प्रतिनिधि, आयकर अपीलीय न्यायाधिकरण, पुणे "बी" बेंच, पुणे / DR, ITAT, Pune "B" Bench, Pune.
6. गार्डफ़ाइल / Guard File.

आदेशानुसार / BY ORDER,
वरिष्ठनिजीसचिव / Sr. Private Secretary
आयकरअपीलीयन्यायाधिकरण, पुणे / ITAT, Pune.