

IN THE INCOME TAX APPELLATE TRIBUNAL KOLKATA BENCH 'C', KOLKATA

[Before Shri Sonjoy Sarma, Judicial Member &
Shri Girish Agrawal, Accountant Member]

I.T.A. No. 447/Kol/2023
Assessment Year : 2017-18

Hatdaluibazar Sashya Utpadan O Bikray Samabay Samity Ltd.	vs	ITO, Ward-1(4), Burdwan
PAN: AAAAH 3145 G		
Appellant		Respondent

Date of Hearing	02.01.2024
Date of Pronouncement	30.01.2024
For the Assessee	Shri Shuvo Chakraborty, Advocate
For the Revenue	Shri Anup Biswas, Addl. CIT

ORDER

Per Sonjoy Sarma, JM:

This appeal of the assessee for the assessment year 2017-18 is directed against the order dated 21.02.2023 passed by the Id. Commissioner of Income-tax, Appeals, NFAC, Delhi [hereinafter referred to as 'the Id. CIT(A)']. The assessee has raised the following grounds of appeal:

"1 For that purported appellate order confirming the entire addition of cash deposits made by the appellant society on demonetization period is perverse and unjust.

2 For that non consideration of explanation buttressed by the appellant during first appeal regarding the source of said cash deposits being supported by all documental evidence including complete books of account is illegal and bad in law.

3 For that Id. NFAC while confirming said cryptic addition did not considered four important points as such firstly, A.O. cannot added back the said cash deposits without rejecting the books of account and where sales, purchases and closing stock has been accepted by the A.O. without any murmur then any addition is self contradictory disbelieving the sources and whimsical act. Secondly, both the lower and appellate authorities failed to point out any defects in the books of account. Thirdly A.O. has not brought out any contrary materials in the assessment order to dispel the sources of said cash deposits as argued and averred by the appellant. Fourthly, appellant being regulated registered society always

under government scanner with compulsory co-operative yearly audit cannot circumvent and falsify any transactions and documents being strictly scrutinized by the audit party.

4 For that appellant may modify the grounds.”

2. Brief facts of the case are that the assessee filed its return of income for the A.Y. 2017-18 declaring income of Rs. Nil claiming deduction u/s 80P of the Act. Soon after filing of return, the case of the assessee was selected for scrutiny under CASS followed by notices u/s 143(2) and 142(1) of the Act. In response to the notices, assessee filed necessary documents/evidences etc. online mode before the ld. AO. During the assessment proceeding, the ld. AO notices that assessee has maintained bank account with Axis Bank and State Bank of India where huge amounts of cash deposits were made during the period of demonetization and the ld. AO has collected the necessary bank statements from the bank authority and find that assessee has deposited Rs. 1,46,25,500/- in Axis Bank as well as Rs. 3,88,500/- in SBI in specified bank notes. The ld. AO in this regard made several queries while framing the assessment from the assessee in order to know the source of cash deposits made by the assessee during demonetization period. However, assessee did not turn up before the ld. AO and the ld. AO had no other alternative but to add entire cash deposits of Rs. 1,50,14,000/- made in the hands of assessee as unexplained money u/s 69A of the Act.

3. Aggrieved by the above order, assessee went into appeal before the ld. CIT(A) where the appeal of the assessee was dismissed on the issue of cash deposits made by the assessee to the tune of Rs. 1,50,14,000/- u/s 69A of the Act.

4. Feeling aggrieved by the above order, assessee is in appeal before this Tribunal. At the time of hearing, the ld. AR stated before the bench that the alleged addition of Rs. 1,46,25,000/- made in the hands of assessee is not correct. Since the ld. AO did not reject in books of accounts furnished by the assessee when the sales, purchase and closing stock figures were accepted by the AO, in such a situation, the alleged addition does not arise in the case of assessee. Besides that the ld. AR furnished a paper book before the bench by showing how the cash deposits were made during the period of demonetization in specified bank notes and also to prove the source of such cash deposits made in its favour.

5. On the other hand ld. DR objected to the prayers made by the AR of the assessee and contended that assessee has never furnished such supported documents before the ld. AO in order to prove the source of such cash deposits received during the period demonetization. Therefore, the ld. AO has forced to make such addition in the hands of assessee. He, therefore, prayed before the bench, the contention of the assessee may be rejected at this stage.

6. We after hearing the rival submission of the parties and after examining the facts of the case notice that although assessee has furnished a paper book before us in order to prove the trails of such cash deposits made during the period of demonetization in a specified note in its bank account. However, those documents were never produced by the assessee before the

ld. AO at the time of framing of assessment order. Therefore, we feel it necessary to remand back the instant issue to the file of AO with the direction to examine the issue afresh after considering the various supported documents furnished by the assessee in order to substantiate its claim regarding source of such deposits were made and direct the ld. AO to decide the issue afresh after providing reasonable opportunity to the assessee of being heard.

7. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 30.01.2024.

Sd/-

Sd/-

(Girish Agrawal)
Accountant Member

(Sonjoy Sarma)
Judicial Member

Dated: 30.01.2024

Biswajit, Sr. PS

Copy of the order forwarded to:

1. Appellant- Hatdaluibazar Sashya Utpadan O Bikray Samabay Samity Ltd., Daluibazar, Rasulpur, Rasulpur, Burdwan-713146.
2. Respondent – ITO, Ward-1(4), Burdwan.
3. Ld. CIT
4. Ld. CIT(A)
5. Ld. DR

True Copy

By Order

Assistant Registrar
ITAT, Kolkata Benches, Kolkata