

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“B” BENCH : BANGALORE**

BEFORE SHRI GEORGE GEORGE K., VICE PRESIDENT  
AND  
SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER

ITA No.320/Bang/2024
Assessment year : 2017-18

Sri Gayatri Credit Co-operative Society Ltd., S N Nanjappa Complex, B H Road, Tiptur – 572 201. <b>PAN: AAKAS 6178A</b>	Vs.	The Income Tax Officer, Ward 1, Tiptur.
APPELLANT		RESPONDENT

Appellant by	:	Shri Abhijit S. Babu, Advocate
Respondent by	:	Shri Ganesh R. Ghale, Standing Counsel.

Date of hearing	:	17.04.2024
Date of Pronouncement	:	29.04.2024

**ORDER**

*Per Laxmi Prasad Sahu, Accountant Member*

This appeal is filed by the assessee order dated 28.08.2023 of the CIT(Appeals), National Faceless Appeal Centre, Delhi [NFAC], for the AY 2017-18.

2. At the outset, there is a delay of 122 days in filing appeal before the Tribunal by the assessee. In the application for condonation of delay and affidavit, it is stated that the principal officer looking after

the tax matters was not keeping good health and there was delay in coordinating with tax auditor who consulted tax professional in Bangalore which took some time for filing of appeal and led to delay. Relying on the decision of Collector Land Acquisition v. Mst. Katiji and other judgments, condonation of delay is requested.

3. After hearing both the parties, it is observed that there are sufficient reasons for the delay and following the judgment of the Hon'ble Apex Court in the case of Collector, Land Acquisition Vs. MST. Katiji and Others (1987) 167 ITR 471, delay of 122 days in filing the appeal before the Tribunal is condoned.

4. The sole and substantive issue raised by the assessee is cash deposits during the demonetisation period i.e., on 10.11.2016 of Rs.3 lakhs and on 12.11.2016 of Rs.5 lakhs. The AO noted that the above cash deposits were made by the assessee in the bank accounts with TVC Bank. For want of proper explanation, it was treated as unexplained cash credit u/s. 69A and taxed u/s. 115BBE of the Act.

5. During the first appellate proceedings the assessee provided datewise cash deposits and details of persons from whom cash was received by the assessee of Rs.2 lakhs on 8.11.2016, Rs.3 lakhs on 10.11.2016 and Rs.5 lakhs 12.11.2016. The CITAA rejected the legal issue raised and noted that the amounts received from members during the demonetisation period was illegal and granted relief of Rs.2 lakhs deposited on 8.11.2016, while confirming addition of Rs.8 lakhs made by the AO. Against this the assessee is in appeal before the ITAT.

6. The Id. AR submitted that the details of members were submitted during the first appellate proceedings in respect of cash received from members and the amounts were deposited in the members accounts only and subsequently it was deposited in assessee's bank account, accordingly the source was explained. Therefore addition is not warranted. He further submitted if a chance is given, the assessee will be able to prove the source of cash received from members in detail with evidence.

7. The Id. DR strongly relied on the orders of lower authorities and strongly submitted that the assessee was not authorized to collect the SBNs in the demonetisation period. Therefore, both the authorities were justified in making addition and applying special rate of taxes. The CIT(Appeals) has dismissed the appeal of the assessee on the basis of RBI Notification dated 08.11.2016 and also Govt. of India Gazette Notification dated 8.11.2016. He objected to giving another chance to assessee since sufficient opportunities were provided by the revenue authorities.

8. After hearing the rival submissions, we are of the opinion that the issue requires detailed examination by the revenue authorities. In the interest of justice, we remit this issue to the AO for fresh consideration and decision as per law. The assessee is directed to produce all the required evidence in support of its case before the AO and not seek adjournment for early disposal of the appeal.

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

Pronounced in the open court on this 29<sup>th</sup> day of April, 2024.

Sd/-  
( GEORGE GEORGE K. )  
VICE PRESIDENT

Sd/-  
(LAXMI PRASAD SAHU )  
ACCOUNTANT MEMBER

Bangalore,  
Dated, the 29<sup>th</sup> April, 2024.

*/Desai S Murthy /*

Copy to:

1. Appellant
2. Respondent
3. Pr. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar  
ITAT, Bangalore.