



IN THE INCOME TAX APPELLATE TRIBUNAL, 'SMC' BENCH PUNE
BEFORE HON'BLE SHRI G. D. PADMAHSHALI, ACCOUNTANT MEMBER
AND

SHRI VINAY BHAMORE, JUDICIAL MEMBER

ITA No. 1022/PUN/2024

Assessment Year : 2017-18

Kuntaleshwar Gramin Bigarsheti Sahakari Patsanstha Ltd.
At-Dhandarphal Budruk, Tal.:Sangamner,
Dist. Ahmednagar-422605.
PAN: AACAK1662K.

..... *Appellant*

V/s

The Income Tax Officer,
Ward-5, Ahmednagar.

..... *Respondent*

Appearances

Assessee by : Mr Akash Parakh ['Ld. AR']
Revenue by : Mr Umashankar Prasad ['Ld. DR']
Date of conclusive Hearing : 23/07/2024
Date of Pronouncement : 25/07/2024

ORDER

PER G. D. PADMAHSHALI, AM;

The assessee is in appeal against the DIN & Order No. ITBA/NFAS/S/250/2023-24/1062470203(1) dt. 12/03/2024 passed u/s 250 of the Income-tax Act, 1961 ['the Act' hereinafter] by the National Faceless Appeal Centre ['NFAC' hereinafter] passed which in turn arisen out of order of assessment passed u/s 144 of the Act by the Income Tax Officer, Ward-5, Ahmednagar ['AO' hereinafter] anent to assessment year 2017-18 ['AY' hereinafter];

2. **Tersely stated the facts of the case are that;** the assessee is a credit co-operative society which filed its income tax return ['ITR' hereinafter] declaring total income at ₹NIL. The case of the assessee was selected for scrutiny under CASS. In



the event of assessee's failure to comply with the notices and explain nature and source of 'Special Bank Note' ['SBN' hereinafter] ₹36,82,853/- deposited into its bank account during the period of demonetisation, the Ld. AO treated the same as unexplained money u/s 69A of the Act and accordingly framed the assessment u/s 144 of the Act and assessed the total income at ₹41,57,430/-. Aggrieved assessee contested the former addition in an appeal wherein Ld. NFAC granted the substantial relief to the assessee society by restricting the addition to ₹4,74,573/-.

3. Still aggrieved by the order of first appellate authority the assessee came in appeal with as many ten grounds which are argumentative in nature hence reproduction thereof for our adjudication deem unwarranted. However, it shall suffice to state that these grounds are collectively directed against (a) balance addition sustained by the Ld. NFAC and consequential denial of 80P(2) deduction.

4. Heard rival parties and subject to rule 18 of ITAT-Rules 1963 perused material placed on record and considered the fact & circumstances of the case in the light of settled legal position and case laws relied upon.

5. We note that, at the appellate stage the reconciliation of cash book could positively able to prove the actual cash deposit by the assessee during the declared period of demonetisation was ₹4,74,573/- as against the figure worked out by the Ld. AO during the course of assessment proceedings. In the larger interest of justice, the Ld. NFAC sought remand from field which however did fail to bring any satisfactory proof substantiating the nature & source of SBN available to assessee society, on the contrary the exercise revealed cat out of box that the appellant society did accept



SBN/cash during the period of demonetisation in the range of ₹20,000/- and more from its various member whose PAN & Aadhar were provided in some cases. It was also on record that, in the event of failure on the part of assessee to produce documentary evidences in support of its claim that such ₹4,74,573/- SBN/cash deposit indeed was a balance held as at the 08/11/2016 the Ld. NFAC confirmed the addition to that extent.

6. The Ld. AR appearing on behalf the appellant society pleaded that, given an opportunity the assessee undertakes to place the details in support of assessee's claim that the balance additions sustained in its case indeed represent the cash balance held by it as at the commencement of declared demonetisation. The Ld. DR could hardly dispute the request for remand. Having considered the facts holistically, without disturbing the partial relief granted, in the larger interest of justice we deem it necessary to remand the file of Ld. NFAC with the direction to accord an opportunity to the appellant to bring on record necessary/requisite material against the balance addition sustained by it and adjudicate the same in accordance with law.

7. The appeal in results is ALLOWED FOR STATISTICAL PURPOSES.

In terms of rule 34 of ITAT Rules, the order pronounced in the open court on this Thursday, 25th July, 2024.

-S/d-

VINAY BHAMORE
JUDICIAL MEMBER

पुणे / PUNE ; दिनांक / Dated : 25th July, 2024.

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

1. अपीलार्थी / The Appellant.

2. प्रत्यर्थी / The Respondent.

3. The Pr. CIT Concerned.

4. The CIT(A)/NFAC Concerned.

5. DR, ITAT, 'SMC' Bench, Pune

6. गार्डफाइल / Guard File.

आदेशानुसार / By Order
वरिष्ठ निजी सचिव / Sr. Private Secretary
आयकर अपीलीय न्यायाधिकरण, पुणे / ITAT, Pune.

-S/d-

G. D. PADMAHSHALI
ACCOUNTANT MEMBER