

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
MUMBAI BENCH "B", MUMBAI**

**BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER  
AND  
SMT RENU JAUHRI, ACCOUNTANT MEMBER**

**ITA No.4876/M/2023  
Assessment Year: 2017-18**

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| <b>Income Tax Officer,</b><br>Ward-4(1)<br>Room No.3 A Wing,<br>6 <sup>th</sup> Floor, Ashar IT Park,<br>Wagle Estate,<br>Thane-400 604 | Vs. | <b>M/s. Bhagyashree Mahila<br/>Nagari Sahakari<br/>Patsanstha Maryadit,</b><br>102, Anand Park,<br>Anand Nagar,<br>Vasai West,<br>Maharashtra- 401202<br><b>PAN: AABAB4876H</b> |
| (Appellant)   |     | (Respondent)  |

**Present for:**

Assessee by : None  
Revenue by : Shri S.K. Jain, Sr. A.R.

Date of Hearing : 23.10.2024  
Date of Pronouncement : 30.10.2024

**O R D E R**

**Per : Narender Kumar Choudhry, Judicial Member:**

This appeal has been preferred by the Revenue against the order dated 16.10.2023, impugned herein, passed by the National Faceless Appeal Center (NFAC)/ Ld. Commissioner of Income Tax (Appeals) (in short Ld. Commissioner) under section 250 of the Income Tax Act, 1961 (in short 'the Act') for the A.Y. 2017-18.

**2.** As two issues/additions are involved in this case, hence we are inclined to decide this appeal by ground/issue-wise.

**3.** First issue/ground is related to the making of addition of Rs.1,18,00,000/- on account of unexplained cash credit u/s 68 of the Act , which was made by the AO by passing the ex-parte order u/s 144 of the Act and on the reason that information u/s 133(6) of the Act was called from Vasai Vikas Janta Sahakari Bank Ltd. wherein during the assessment year under consideration, the Assessee had deposited Rs.1,99,81,607/-. However, in spite of issuing show cause notice, the Assessee has not responded and therefore on the details available on record and on perusing and analysis of bank statement, cash deposited in the bank account of the Assessee amounting to Rs.1,18,28,000/- during the demonetization period, the AO added the said amount as income u/s 68 of the Act.

**3.1** We observe that in the appellate proceedings, the Ld. Commissioner sought for a remand report from the AO.

**3.2** During the remand proceedings, the Assessee before the Assessing Officer (AO) submitted various documents such as confirmations of the respective parties who have deposited cash of Rs.1,18,00,000/-, KYC of Harish Pawar, cash deposit slips in respect of cash deposited during the demonetization period and other required documents. Further, the Assessee has also submitted that it provides banking facilities to its members from time to time on easy terms and conditions, as the

Assessee is a recognized co-operative credit society and engaged in the business of accepting deposits from its members in cash and subsequently depositing the same in its bank account. Further, the cash deposit amounting to Rs.1,18,28,000/- was accepted from its members and the same was deposited in the Vasai Vikas Janta Sahakari Bank Ltd. The Assessee also explained the reason for not submitting the relevant documents before the AO that due to paucity of time and technical/legal issues the relevant documents could not be filed. However, now submitting break-up of party-wise details of cash deposits by members totaling to Rs.1,18,28,000/- out of which major amount of Rs.1,15,00,000/- is claimed to be cash deposited by Shri Harish Chindu Pawar. The Assessee in support of its claim also submitted account details of Shri Harish Chindu Pawar in the Assessee society for the financial year 2016-17.

**3.3** We observe from the impugned order that the Ld. Commissioner on being satisfied by the AO with regard to the documentary evidences and detailed explanation submitted by the Assessee before him, accepted the remand report on this addition under consideration and only therefore deleted the addition under consideration. We even otherwise do not find any reason/material contrary to the determination made by the Ld. Commissioner. Hence, this ground/issue under consideration is dismissed.

**4. Second** addition of Rs.2,21,101/- pertains to the disallowance of the deduction claimed by the Assessee u/s 80P of the Act. We observe

that while deleting the addition under consideration, the Ld. Commissioner considered the claim/submission of the Assessee to the effect that as the Assessee is a recognized co-operative credit society and accepting deposits from its members in cash and subsequently depositing the same in its bank account and during the assessment year under consideration the Assessee incidentally earned the bank interest in the bank account maintained with Vasai Co-operative Bank and accordingly claimed the same as deduction/exempted u/s 80P of the Act. The Ld. Commissioner by considering the claim of the Assessee and by respectfully following the decision of the Tribunal at Pune Benches in the case of Kai Fakira Jairam Patil vs. ITO wherein it was held "that co-operative societies are eligible to claim deductions u/s 80P(2)(a)(i) & 80P(2)(d) of the Act for interest income derived from surplus funds deposited in co-operative banks and schedule banks", allowed the deduction claimed by the Assessee and incidentally deleted the addition under consideration.

**4.1** We have given thoughtful considerations to the determination made by the Ld. Commissioner and do not find any infirmity, impropriety and/or illegality in the same. Even otherwise we do not find any material/reason to contradict the finding of the Ld. Commissioner in deleting the addition under consideration. Hence, we are inclined not to entertain this ground relating to the issue under consideration. Thus, the relevant ground raised qua this addition is also dismissed.

5. In the result, the appeal filed by the Revenue is dismissed.

**Order pronounced in the open court on 30.10.2024.**

**Sd/-  
(RENU JAUHRI)  
ACCOUNTANT MEMBER**

**Sd/-  
(NARENDER KUMAR CHOUDHRY)  
JUDICIAL MEMBER**

\* Kishore, Sr. P.S.

Copy to: The Appellant  
The Respondent  
The CIT, Concerned, Mumbai  
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.