

आयकर अपीलीय अधिकरण 'ए' न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH, CHENNAI

माननीय श्री मनोज कुमार अग्रवाल ,लेखा सदस्य एवं
माननीय श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष।
BEFORE HON'BLE SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER
AND HON'BLE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER

आयकरअपील सं./ ITA No.2055/Chny/2024
(निर्धारणवर्ष / Assessment Year: 2017-2018)

Centre for Educare and Research
Charitable Trust,
16-1, Avvai Farm Lane,
Thiruvattar 629 177,
Kanyakumari.

Vs. The Assistant Commissioner of
Income Tax,
Circle-1,
Nagercoil.

[PAN: AABTC 3968L]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by

: Shri.N. Arjun Raj, Advocate

प्रत्यर्थी की ओर से /Respondent by

: Shri. Ashwin D. Gowda, IRS, Addl. CIT.

सुनवाई की तारीख/Date of Hearing

: 23.10.2024

घोषणा की तारीख /Date of Pronouncement

: 04.11.2024

आदेश / O R D E R

PER MANU KUMAR GIRI (Judicial Member)

This appeal by the assessee is arising out of the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi in order No.ITBA/NFAC/S/250/2024-25/1065377897(1) dated 04.06.2024. The assessment was framed by the Assistant Commissioner of Income Tax, Circle-1, Nagercoil for

the assessment year 2017-18 u/s.143(3) of the Income Tax Act, 1961 (hereinafter the 'Act'), vide order dated 30.12.2019.

2. Brief facts of the case are that the assessee is a Trust running a school in Thiruvattur panchayat, catering to students in that remote village and only source of income is out of the fees collected from students. The assessee trust had filed return for the assessment year 2017-18 admitting a total income of Rs. 18,15,130/-. The case was selected for scrutiny by CASS for a reason that high value receipt of cash shown from third parties in response data. In response to Notice under section 142 (1) of the Act dated 07.12.2019 calling for details, assessee produced comparative Bank statement analysis and explained that the cash deposits made in bank during the demonetization period are from the fees received from the students of Ms. Excel School Thiruvattar, which is run by the trust. During the course of assessment proceedings, Ld. Assessing Officer asked the assessee to furnish certificate from Syndicate Bank as to the Quantum of Specified Bank Notes deposited in their Bank. Assessee produced letter from Syndicate Bank, Thiruvattar Branch, dated 26.12.2019 stating that a sum of Rs.31,49,250/- was deposited during the demonetization period in Syndicate Bank, Thiruvattar Branch out of which a sum of Rs. 10,25,500/- was in Specified Bank Note. In the said letter, the bank has further mentioned that a sum of Rs.41,16,520/- has been deposited during demonetization period in Syndicate Bank, Mulagumoodu Branch. Since assessee did not produce any evidences that the deposit of Rs.41,16,520/- was not in Specified Bank Note, the Ld. Assessing Officer considered Rs.41,16,520/- as

unexplained cash credits to bank u/s.68 r.w.s.115BBE of the Act and added the same to the returned income of the assessee.

3. Aggrieved, assessee preferred an appeal before the Id. CIT(A). Ld. CIT(A) confirmed the action of the Id. Assessing Officer. Aggrieved, assessee is in further appeal before the Tribunal.

4. Before us, the Id. Authorized Representative contended that the Assessing Officer has made an addition of Rs.41,16,520/- being the cash deposits made during the demonetization period maintained by Mulagumoodu Branch solely on the ground that the appellant could not bifurcate the deposits made in SBNs and non SBNs in the said branch. The appellant had obtained the said certificate from the bank, Mulagumoodu Branch, showing the breakup of the deposits in SBNs and non SBNs. The above fact of deposit of SBNs only to the extent of Rs. 6,66,500/- at Mulagumoodu Branch was also confirmed by the Assessing Officer in the remand report dated 07.03.2024. Further, the assessee had also established during the remand proceedings that the closing cash balance as on 08.11.2016 was at Rs. 17,82,947/-. In fact, the total deposits made in SBNs in both the branches was only to the tune of Rs.16,92,000/- thereby establishing the source for such deposits emanating from the fees collected prior to 08.11.2016. Moreover, the appellant had also established the consistent cash deposits made in all the months including the demonetization period, thereby negating the presumption of any abnormality. The authorities below neither tampered with the any other deposits made during the assessment year under consideration nor rejected the books of accounts maintained

by the assessee and in the absence of any such adverse findings, the addition made solely on the ground that the SBNs were deposits deserves to be interfered with. Further, Id. Authorized Representative submitted that the appellant trust is running a school in Thiruvattar panchayat, catering to students in that remote village and the only source of income for the appellant is out of the fees collected from those students. The Id. Assessing Officer had not brought on record any concrete findings / evidence to reject the claim of the appellant or to doubt the source of the SBNs deposited. The Id. CIT(A) also without appreciating the documents filed before him had rendered cryptic findings and ultimately had dismissed the appeal of the Assessee. Hence, the Id. Authorized Representative prayed for deleting the addition made by the lower authorities.

5. Per contra, Id. Departmental Representative supported the orders of the authorities below.

6. We have heard both parties at length and also perused the relevant findings of the Id. Assessing Officer as well as the Id. CIT(A). We find from page 71 of paper book that appellant had obtained the certificate from the Mulagumoodu Branch bank regarding cash remittance details during demonetization period, which shows the breakup of the deposits in SBNs and non SBNs. The breakup of SBNs are only to the extent of Rs.6,66,500/-. The AO in his remand report dated 07.03.2024 at page 76 of paper book has confirmed the aforesaid factum of deposit. We further, at page 9 of the paper book find that the assessee's closing cash balance as on 08.11.2016 was Rs.17,82,947/-. Therefore, the assessee has demonstrated the

source for such deposits emanating from the fees collected prior to 08.11.2016 as the total deposits made in SBNs in both the branches was only Rs.16,92,000/-. It is also demonstrated by the assessee from the page 72-73 of the paper book that the consistent cash deposits in all the months. We further find that the AO has not rejected the books of account maintained by the assessee. We are of considered view that in this case AO had not brought on record any concrete evidence to reject the explanation of the appellant. Hence, we delete the addition sustained by the Id.CIT(A).

7. In result, appeal of the assessee stands allowed.

Order pronounced in the court on 4th day of November, 2024 at Chennai.

Sd/-

(मनोज कुमार अग्रवाल)

(MANOJ KUMAR AGGARWAL)

लेखा सदस्य / ACCOUNTANT MEMBER

चेन्नई Chennai:

दिनांक Dated :04-11-2024

KV

आदेश की प्रतिलिपि अग्रेषित /Copy to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT, Chennai/Coimbatore/Madurai/Salem.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

Sd/-

(मनु कुमार गिरि)

(MANU KUMAR GIRI)

न्यायिक सदस्य / JUDICIAL MEMBER