

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
KOLKATA-PATNA 'e-COURT', KOLKATA  
[Hybrid Court Hearing]**

**Before**

**SHRI SONJOY SARMA, JUDICIAL MEMBER  
&  
SHRI RAKESH MISHRA, ACCOUNTANT MEMBER**

**ITA No.: 706/PAT/2024  
Assessment Year: 2017-18**

Bahadurpur Patory Prathmik Krishi Sakh Samiti Limited	Vs.	CIT(Appeal), Muzaffarpur/ITO Ward 3(4), Samastipur
<b>(Appellant)</b>		<b>(Respondent)</b>
<b>PAN: AABAB4038R</b>		

**Appearances:**

**Assessee represented by** : N o n e  
**Department represented by** : Shri Ashwani Kr. Singal, JCIT  
Date of concluding the hearing : 14-October-2025  
Date of pronouncing the order : 04-December-2025

**ORDER**

**PER RAKESH MISHRA, ACCOUNTANT MEMBER:**

This appeal filed by the assessee is against the order of the Id. Commissioner of Income Tax (Appeals), Muzaffarpur [hereinafter referred to as Ld. 'CIT(A)'] passed u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') for AY 2017-18 dated 18.12.2024.

2. Brief facts of the case are that the assessee is a Primary Agricultural Credit Society and is established to help and empower farmers in rural areas. It works on the grassroots level Gram Panchayat and village level. It provides short term and medium-term loan to rural people to meet their financial requirements. The Id. Assessing Officer made an addition of Rs.45,10,000/- to the total income of the assessee-

**ITA No.: 706/PAT/2024**  
**Assessment Year: 2017-18**  
***Bahadurpur Patory Prathmik Krishi Sakh Samiti Limited***

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Society as unexplained money deposited during the demonetization period by invoking the provision of section 69A of the Act and computed the total income of the assessee-Society at Rs.56,07,140/-, though the assessee claims to have fully explained the cash deposits in the books of account and the transactions are properly recorded. The books of account were duly audited in accordance with section 44AB of the Act, which report was furnished with the return of income filed by the assessee.

3. Aggrieved with the assessment order, the assessee filed an appeal before the Ld. CIT(A), who issued several notices for hearing, but no compliance was made to substantiate the claim in support of the grounds of appeal, though enough opportunities of being heard were provided to the assessee. The assessee failed to furnish any documentary evidence during the appellate proceedings despite various notices issued and also failed to discharge the onus of providing the nature and source of unexplained cash deposit. Accordingly, the appeal was dismissed.

4. Aggrieved with the order of the Ld. CIT(A), the assessee has filed the appeal before the Tribunal.

5. None appeared on behalf of the assessee at the time of hearing. Therefore, we have decided to dispose of the appeal after hearing the ld. Departmental Representative and perusing the material available on record.

6. The assessee has pleaded through its grounds of appeal that the ld. AO as well as ld. CIT(Appeals) did not allow adequate opportunity and the assessee has the required evidence for explaining the source of deposit. In Ground No. 3, it is stated that tax cannot be levied in any



**ITA No.: 706/PAT/2024**

**Assessment Year: 2017-18**

***Bahadurpur Patory Prathmik Krishi Sakh Samiti Limited***

case only on apprehensions and it should be based on fact. It is mentioned that the names and addresses of the depositors with their PANs were produced before the ld. Assessing Officer as well as before the ld. CIT(Appeals) and the ld. CIT(Appeals) could not find anything wrong in any such submission, therefore the addition made by the ld. Assessing Officer and confirmed by the ld. CIT(Appeals) is not justified. The assessee is a Primary Agricultural Credit Society and the money is not of the society but of the persons for whom or on whose behalf the money was received and deposited in the bank account. The books of account are audited and the assessee had demonstrated from the purchase book, sale book, cash book supported by the relevant invoices that source of cash deposited was out of the cash sales made during the period relevant to the assessment year under consideration. That the assessee had presented all the cash receipts transactions and expenses in front of the ld. Assessing Officer and the ld. CIT(Appeals), but neither of them ever rejected the books of account of assessee and the assessee had shown everything in its audited books as well. It is stated in the ground of appeal that that the assessee has demonstrated from the purchase books, sale books, cash book supported with relevant invoices that source of cash deposited was out of the cash sales made during the FY relevant to the assessment year under consideration. It is, therefore, prayed in the grounds of appeal before the Bench to set aside the order of the ld. CIT(Appeals) and it has also been requested that another opportunity may be provided to the assessee to explain the source of deposit in the Bank account during demonetization period.

7. The ld. Departmental Representative vehemently supported the order of ld. CIT(Appeals) and pleaded that the appeal of the assessee

**ITA No.: 706/PAT/2024**  
**Assessment Year: 2017-18**  
***Bahadurpur Patory Prathmik Krishi Sakh Samiti Limited***

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may be dismissed as no compliance was made either before the ld. Assessing Officer or even before the ld. CIT(A).

8. We have perused the material available on record and considered the facts of the case as mentioned in the Grounds of appeal. It is noted that both before the ld. Assessing Officer as well as before the ld. CIT(Appeals), the assessee did not make any compliance for the deposited amount of Rs.45,10,000/- during the demonetization period. The assessee had declared its total income at Rs.10,97,140/- for the assessment year 2017-18. As there was no explanation from the assessee, therefore, the amount of Rs.45,10,000/- was added by the ld. Assessing Officer to the total income of the assessee under section 69A of the Income Tax Act and the total income was computed at Rs.56,07,140/- for the assessment year under consideration. Before the ld. CIT(Appeals), there was no explanation from the assessee to substantiate its grounds of appeal. The assessee has requested for another opportunity before the ld. Assessing Officer to explain the source of said deposit during the demonetization period along with a Bank certificate containing therein the description of the notes along with the date of deposit and the money received which is fully recorded in the books of account and nature and source can also be explained and the assessee is ready to provide all the details. Therefore, in the interest of justice and fair play and also by considering the totality of the facts and circumstances of the case, the Bench was of the view that the matter may be remanded to the ld. Assessing Officer for providing one more opportunity of being heard to the assessee for presenting its case before him. Accordingly, the order of the Ld. CIT(A) is hereby set



**ITA No.: 706/PAT/2024**  
**Assessment Year: 2017-18**  
***Bahadurpur Patory Prathmik Krishi Sakh Samiti Limited***

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aside and the issue is remanded to the Ld. Assessing Officer to grant one more opportunity to the assessee and to decide the issues on merits by passing the assessment order. The assessee shall produce all the relevant documents before the ld. Assessing Officer, as required, and the Ld. Assessing Officer shall consider the submission made and thereafter, pass the order in accordance with law. Thus, all the grounds raised by the assessee are partly allowed for statistical purposes.

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

**Order pronounced in the open Court on 4<sup>th</sup> December, 2025.**

*Sd/-*  
**[Sonjoy Sarma]**  
Judicial Member

*Sd/-*  
**[Rakesh Mishra]**  
Accountant Member

Dated: 04.12.2025



**ITA No.: 706/PAT/2024**  
**Assessment Year: 2017-18**  
**Bahadurpur Patory Prathmik Krishi Sakh Samiti Limited**

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*Copy of the order forwarded to:*

1. **Bahadurpur Patory Prathmik Krishi Sakh Samiti Limited, Patory, Bihar, Pin Code No. 848504**
2. **CIT(Appeals), Sikandarpur, Muzaffarpur-842001, Bihar**
3. ITO Ward 3(4), Samastipur
4. CIT-
5. CIT(DR), Kolkata Benches, Kolkata.
6. Guard File.

*// True copy //*

By order

Assistant Registrar  
ITAT, Kolkata Benches  
Kolkata

**Laha**