

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DEHRADUN CIRCUIT BENCH: DEHRADUN**

**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT &  
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.2/DDN/2026  
[Assessment Year : 2017-18]**

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|--|----------------------------|--|
| UPSRTCC EMP. Salary<br>Person Co-op Loan Samiti<br>Ltd., Haridwar Bus stand,<br>Haridwar, Uttarakhand<br><b>PAN-AAAAU9031C</b> | vs                         | ITO<br>Ward-1(3)(3)<br>Haridwar<br>Uttarakhand |
| <b>APPELLANT</b>   |                            | <b>RESPONDENT</b>                              |
| <b>Appellant by</b>  | Shri Rajiv Sahni, CA       |  |
| <b>Respondent by</b>   | Shri Amar Pal Singh, Sr.DR |  |
| <b>Date of Hearing</b>   | 09.03.2026                 |  |
| <b>Date of Pronouncement</b>   | 09.03.2026                 |  |

**ORDER**

**PER MANISH AGARWAL, AM :**

The present appeal is filed by assessee against the order dated 04.12.2025 passed by Ld. Commissioner of Income Tax (A)/ADDL/JCIT(A)-10, Mumbai ["Ld. CIT(A)"] u/s 250 of the Income Tax Act, 1961 ["the Act"] arising out of assessment order dated 29.11.2019 passed u/s 143(3) of the Act pertaining to Assessment Year 2017-18.

2. Before us, Ld.AR for the assessee submits that during the period of demonetization, assessee society has deposited 12,98,000/- in Specified Bank Notes ("SBN") which was claimed to have been received as recovery of the loans from its members however, the AO has made the addition by treating the same as unexplained money. Ld.AR further submits that entire sum was received as a recovery of loans given to its members and necessary

copy of cash book alongwith cash flow statement was submitted however, these were not appreciated by AO but Ld. CIT(A) had allowed the part relief of INR 8,30,000/- and sustained the balance amount. Ld.AR submits that sole basis for confirming the addition is non-production of the receipts. Ld.AR submits that once the books of accounts have been accepted wherein cash received from members is duly recorded, no addition is required to be made. He prayed accordingly.

3. On the other hand, Ld. Sr. DR for the Revenue vehemently supported the orders of the lower authorities and submits that Ld. CIT(A) has allowed the relief to the extent of the receipts of cash for which the assessee has been able to substantiate the source therefore, Ld. CIT(A) has rightly sustained the balance amount and requested for the confirmation of the said order.

4. Heard the contentions of both parties and perused the material available on record. From the perusal of the orders of the lower authorities, we find that assessee has filed copy of cash books and other relevant documents and except the receipts issued to the members, all the details were filed in support of the claim of receipt of cash from the member. Since the assessee society is engaged in providing short term credit facility to its members which are repaid by them as and when they received their salary in installments against the credit facilities available by them which is a regular feature. In this process, cash in SBN was deposited by those members prior to the demonetization period and was accumulated with the assessee's society as on the date when the demonetization was announced which stood deposited in the bank account. Merely because, receipts were not submitted

with respect to the deposits of only INR 4,68,000/-, Ld. CIT(A) has confirmed the addition. Once the cash book was submitted alongwith cash flow statement which have not been doubted nor the books of accounts were rejected therefore, in view of these facts, addition of INR 4,68,000/- made towards the receipts from the members is not tenable and accordingly, the same is hereby deleted.

5. In the result, the appeal of the assessee is allowed.

Order pronounced in the open Court on 09.03.2026.

**Sd/-**

**(MAHAVIR SINGH)  
VICE PRESIDENT**

**Sd/-**

**(MANISH AGARWAL)  
ACCOUNTANT MEMBER**

**Date- 10.03.2026**

*\*Amit Kumar, Sr.P.S\**

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2. Respondent
3. CIT
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5. DR: ITAT
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Sr.P.S/ASSISTANT REGISTRAR  
ITAT, NEW DELHI  
(Dehradun Circuit Bench, Dehradun)