

आयकर अपीलीय अधिकरण "बी" न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
CHENNAI BENCHES "B" :: CHENNAI

BEFORE SHRI GEORGE GEORGE K, VICE-PRESIDENT
AND
SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.2617/CHNY/2025

निर्धारण वर्ष / Assessment Year: 2016-17

Income Tax Officer, Ward-1(1), Trichy.	Vs	Manikandam Union Teachers Co- operative Thrift & Credit Society Ltd, No.8, II Cross Ponnagar, Trichy – 620001.
		PAN: ABAFM1145R
Appellant/ Revenue		Respondent / Assessee

Assessee by	Mr. M.Karunantham – Advocate
Revenue by	Ms. Gouthami Manivasagam – Addl.CIT
Date of hearing	09/04/2026
Date of pronouncement	16/04/2026

आदेश/ ORDER

PER INTURI RAMA RAO, AM :

This appeal filed by the Revenue directed against the order of
ld.Commissioner of Income Tax(Appeal)[NFAC], Delhi dated 09.06.2025
passed under section 250 of the Income Tax Act, 1961 for the A.Y.2016-17.

2. The Revenue raised the following grounds of appeal :

“(1) The order of the Ld. CIT(A) is opposed to law on the facts and in the circumstances of the case.

(2) The Ld. CIT(A) erred in deleting the addition of Rs.6,37,58,207/- despite the fact that the amount reflected in the cash book were not remitted into the bank account.

(3) The Ld. CIT(A) erred in deleting the addition of Rs.8,54,841/-, despite the fact that the cash credit reflected in bank account statement were not found in the cash book.

(4) The Ld. CIT(A) erred by not considering the current account in No. 0457002100037773 which has been maintained by the assessee during the relevant financial year.

(5) For these and such other grounds that may be adduced at the time of hearing and it is prayed that the order of the Ld. CIT(A) may be reversed and that of the Assessing Officer be restored.”

3. Briefly the facts of the case are that the Appellant is a Co-operative Society duly registered under Tamilnadu Co-operative Societies Act, 1983. The appellant is engaged in the business of providing credit facilities to its members and accept deposits of members. The Return of Income for the Assessment Year 2016-17 was not filed under the provision of section 139(1) of the Act. Subsequently, based on the information that the Appellant Co-operative Society made substantial cash deposits in the bank account, the Assessing Officer formed an opinion that income got escaped assessment from tax. Accordingly, a notice u/s.148 of the Act was issued on 27.03.2021. In response to notice u/s.148, the Return of Income for the Assessment Year 2016-17 was filed on 08.02.2022 declaring NIL income after claiming

deduction under Chapter-VIA u/s.80P of the Income Tax Act of Rs.43,27,786/-. The assessment was completed by the Assessing Officer the ITO, Ward-1, Trichy (hereinafter called 'AO') vide order dated 27.03.2022 at a total income of Rs.6,46,13,048/-. While doing so, Assessing Officer brought to tax the entire credits found in the bank account maintained with TDCC Bank Ramalinga Nagar Branch as unexplained money of the appellant of Rs.6,37,58,207/- by holding that these entries were reflected in the cash book, stated to have been remitted to bank account, actually not remitted the money into the bank account inferred to be bogus income of appellant and assessed, as undisclosed business income. Similarly, the Assessing Officer also brought to tax a sum of Rs.8,54,841/- being credits found in the bank account maintained with TDCC Bank Ramalinga Nagar Branch treated as unexplained money for the failure of the appellant society, for failure of appellant society to explain the source of cash deposits.

4. Being aggrieved by the above order, an appeal was filed before the Id.CIT(A), who vide impugned order accepting the reconciliation statement filed before him, deleted the addition.

5. Being aggrieved by the order of the Id.CIT(A), the Revenue is in appeal before us. The Id.Sr.DR submits that the Id.CIT(A) had merely accepted reconciliation statement filed before him for the first time without giving an opportunity of hearing to the Assessing Officer and deleted the addition. She further submits that the Id.CIT(A) had not addressed the reasons given by the Assessing Officer while deleting the additions made.

6. On the other hand, Id.Counsel submits that the Assessing Officer made addition on merely on presumption and assumption and entire records were made available before the Assessing Officer during the assessment proceedings.

7. We heard rival submissions and perused the material available on record. The issue that arises for our consideration is whether the Id.CIT(A) were justified in deleting the additions 6,37,58,207/-. On mere perusal of the assessment order, it would reveal that the Assessing Officer made addition of Rs.6,37,58,207/- by holding that the credits stated to have remitted into bank account were not actually remitted to the bank account. Therefore, inferred that it is nothing but bogus income of the appellant. Similarly, the Assessing Officer made addition of Rs.8,54,841/- being the cash credits

found in the bank account maintained with TDCC Bank Ramalinga Nagar Branch for the failure of the appellant to explain the source of said credits. However, the ld.CIT(A) deleted the addition by merely considering reconciliation statement filed before him. The ld.CIT(A) had not given any finding rebutting the reasonings of the Assessing Officer. Admittedly, the appellant had filed reconciliation statement for the first time before the ld.CIT(A). We are unable to discern from the impugned order that ld.CIT(A) had given an opportunity to the Assessing Officer to rebut the statement. In these circumstances, we are of the considered opinion that the matter requires remand to the file of Assessing Officer for due verification of the reconciliation statement filed before the ld.CIT(A) which is extracted at the pages no.13 to 23 of the order of ld.CIT(A).

8. In the result, appeal filed by the Revenue stands partly allowed for statistical purpose.

Order pronounced in the open Court on 16th April, 2026.

Sd/-
(GEORGE GEORGE K)
VICE PRESIDENT

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Chennai; दिनांक / Dated : 16th April, 2026
SGR, Sr.PS

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT Chennai/Madurai/Coimbatore/Salem.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "बी" बेंच,
चेन्नई / DR, ITAT Chennai.
5. गार्ड फ़ाइल / Guard File.