

आयकर अपीलिय अधिकरण, 'सी' (एस एम सी) न्यायपीठ,चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL  
'C' (SMC) BENCH, CHENNAI**

श्री महावीर सिंह, उपाध्यक्ष के समक्ष  
**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT**

आयकर अपील सं./ITA No.: **932/CHNY/2022**  
निर्धारण वर्ष/Assessment Year: 2017-18

**Shri Selladurai Jeyasingh,**  
No.2, Ramaswamy Street,  
Tharamani,  
Chennai – 600 113.

**The Income Tax Officer,**  
Vs. Non-Corporate Ward 19(5),  
Chennai.

**PAN: ADVPJ 0211G**  
(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by  
प्रत्यर्थी की ओर से/Respondent by

: None  
: Shri AR.V. Sreenivasan, Addl.CIT

सुनवाई की तारीख/Date of Hearing : 06.03.2023  
घोषणा की तारीख/Date of Pronouncement : 06.03.2023

**आदेश /ORDER**

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 Appeal No.CIT(A), Chennai-10/10348/2019-20 dated 28.09.2022. The assessment was framed by the Income Tax Officer, Non-Corporate Ward 19(5), Chennai for the assessment year 2017-18 u/s.143(3) of the Income Tax Act, 1961 (hereinafter the 'Act') vide order dated 24.12.2019.

2. The only issue in this appeal of assessee is as regards to the order of CIT(A) confirming the addition of unexplained cash deposit made in the bank account during demonetization period amounting to Rs.21,74,500/- and added by the AO u/s.69 of the Act. For this assessee has raised various grounds which are argumentative in nature and hence, need not be reproduced.

3. None is present from assessee's side despite service of notice and even on earlier occasions i.e., 08.02.2023 & 20.02.2023, none was present. Hence, I decided to decide this appeal ex-pare, qua assessee. Briefly stated facts are that the assessee filed his return of income for the relevant assessment year 2017-18 on 06.11.2017 declaring total income at Rs.4,99,760/-. The assessee's case was selected for complete scrutiny and thereby issued notice u/s.143(2) of the Act. The AO noted from the financial statements of the assessee that the assessee is a wholesale dealer of SIM card and E-Top-up of Bharathi Airtel Ltd. During the year, the assessee admitted gross sale receipts on sale of SIM card and E-Topup at Rs.13,62,38,329/- and as against the same claimed expenditure on purchase at Rs.13,37,98,370/-. The AO noted from the information received from banks that the assessee has deposited cash of Rs.1,69,10,500/- during demonetization period and out of the same,

a sum of Rs.73,04,500/- cash was deposited between 15.12.2016 to 31.12.2016 in his current account maintained with Indian Bank, Chennai. The assessee before AO produced ledger copies of sales and purchase made during the year 2016-17 and account statement from Bharathi Airtel Ltd., for the period 01.04.2016 to 31.03.2017. The AO noted that the Government of India allowed receiving demonetized currency for prepaid mobile top-up up to 15.12.2016 only. But, assessee has deposited a sum of Rs.73,04,500/- in cash in his current account from 15.12.2016 to 31.12.2016 maintained with Indian Bank, Tharamani, which seized to be a legal tender. The assessee in his submissions vide letter dated 17.12.2019 stated that he has deposited Rs.21,74,500/- in specified bank notes and Rs.51,30,000/- in valid currency and valid denomination during the period 16.12.2016 to 30.12.2016. The AO required the assessee to explain the cash deposit in specified bank notes of Rs.21,74,500/- which was deposited from collections received during the period, as claimed by assessee from 13.12.2016 to 15.12.2016 and cash in hand as on 12.12.2016. Since the assessee has not produced any documentary evidence that details of top-up done, customer name and mobile number, etc., for which assessee has received cash during the period 09.11.2016 to 15.12.2016, the AO did not accepted the explanation of the assessee in regard to specified bank

notes deposited in cash of Rs.21,74,500/- and made addition u/s.69 of the Act. The CIT(A) also confirmed the addition by observing that the assessee has not produced any documentary evidence like details of top-ups done, customers name and mobile number, etc., for which assessee has received cash during the period 09.11.2016 to 15.12.2016. Accordingly, the AO has rightly made addition stating that specified bank notes deposited during the period 16.12.2016 to 30.12.2016 amounting to Rs.21,74,500/- claimed to have deposited from collections received from 13.12.2016 to 15.12.2016 and cash in hand on 12.12.2016 was without supportive evidence.

4. After hearing Id. Senior DR and going through the case records, I noticed that the assessee is engaged in wholesale business of mobile services, SIM cards and top-ups of Bharathi Airtel Ltd., and it was only his business. Therefore, the assessee's evidences like ledger copies of sales and purchases and complete statement of Bharthi Airtel Ltd., should have been analyzed by the AO. Even the assessee could have produce the details of closing stock of purchases made from Bharathi Airtel Ltd.,that would have proved that the entire purchases made are exhausted or what remains with the assessee. Prima-facie, it seems that assessee has deposited this specified bank notes during the period 16.12.2016 to 30.12.2016

amounting to Rs.21,74,500/- from sale of SIM cards, mobile services and top-ups done during the period. The assessee has to file details of cash in hand as on 12.12.2016, which is not filed. Hence, there is some weakness in the evidences filed by assessee which need to be rectified. Even the AO has not examined the details produced by assessee viz-a-viz the accounts statement of Bharathi Airtel Ltd., with regard to purchases of closing stock. In term of the above, the assessee's appeal is set aside to the file of the AO for redoing the assessment on this aspect of cash deposit of Rs.21,74,500/- only. The orders of lower authorities on this issue is set aside and matter remanded back to the file of the AO, who will re-decide the issue of cash deposit of Rs.21,74,500/-.

6. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open court on 6<sup>th</sup> March, 2023 at Chennai.

Sd/-  
(महावीर सिंह)  
**(MAHAVIR SINGH)**  
उपाध्यक्ष /VICE PRESIDENT

चेन्नई/Chennai,  
दिनांक/Dated, the 6<sup>th</sup> March, 2023

**RSR**

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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|-------------------------|--------------------------|---------------------|
| 1. अपीलार्थी/Appellant  | 2. प्रत्यर्थी/Respondent | 3. आयकर आयुक्त /CIT |
| 4. विभागीय प्रतिनिधि/DR | 5. गार्ड फाईल/GF.        |                     |