

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

**BEFORE SHRI INTURI RAMA RAO, AM
AND SHRI PRAKASH CHAND YADAV, JM**

**ITA No. 254/Coch/2023
Assessment Year: 2017-18**

Chathancheri Sadik Appellant
Chathancheri, Triprangod, Tirur 676108
[PAN: DTCPS1109G]

Vs.

The Income Tax Officer Respondent
Ward - 1, Tirur

Appellant by: Shri Shaji Paulose, CA
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 09.12.2024
Date of Pronouncement: 29.01.2025

ORDER

Per: Inturi Rama Rao, AM

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre, Delhi [CIT(A)] dated 19.12.2023 for Assessment Year (AY) 2017-18.

2. Brief facts of the case are that the appellant was working a telecom distribution agent in the name of SR Communications of Vodaphone Recharge Coupon the EC. The assessee did not file return of income for AY 2017-18. Based on the information that the appellant made deposit of Rs. 1,19,61,090/-, a notice u/s. 148 of the

Income Tax Act, 1961 (the Act) was issued by the Assessing Officer (AO) on 24.03.2021 directing the appellant to file the return of income. In response to the notice, the appellant submitted that the cash deposit was made out of business receipts as an agent to Vodafone M Pesa and the appellant is in receipt of commission to the tune of 1% only. The AO rejected this explanation stating that the petitioner could not furnish the details of source of cash deposit and there is no significant deductions from the part of Vodafone M Pesa. The AO also levied penalty worth Rs. 9,34,384/- u/s. 271AAC(1) of the Act.

3. Being aggrieved, a revision petition was filed before the Principal Commissioner of Income Tax, Kozhikode u/s. 264 of the Act, who wide order dated 20.11.2023 deleted the addition of cash deposits to the tune of Rs. 1,19,61,090/-. Subsequent to this order, the appellant filed appeal before the CIT(A) for deletion of the penalty imposed by the AO. The CIT(A) confirmed the penalty by observing that the appellant has made no effort to explain the deposits with evidence.

4. Being aggrieved, the assessee is in appeal before us in the present appeal.

5. We have heard the rival contentions of both the parties and perused the material available on record. At the outset we find that the quantum addition had been deleted by the Pr. CIT vide order

dated 10.11.2023 passed u/s. 264 of the Act. Therefore, the matter is remitted back to the AO for de novo adjudication in accordance with law after affording reasonable opportunity of hearing to the assessee.

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

Order pronounced in the open court on 29th January, 2025.

Sd/-
(PRAKASH CHAND YADAV)
JUDICIAL MEMBER

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 29th January, 2025.

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin