

**THE INCOME TAX APPELLATE TRIBUNAL
“E” BENCH, DELHI**

**BEFORE MS. MADHUMITA ROY, JUDICIAL MEMBER &
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

**ITA No.4/Del/2023
(Assessment Year: 2017-18)**

Manoj Kumar RZ-672, E/29, Gali No. 27F, Sadh Nagar - 2, Palam Colony New Delhi - 110045	Vs.	ITO, Ward 44(5) New Delhi
स्थायीलेखासं. / जीआइआरसं. / PAN/GIR No: ANIPG4878R		
Appellant	..	Respondent

Appellant by :	Sh. Rajiv Kumar, Adv.
Respondent by :	Sh. Manoj Tiwari, Sr. DR

Date of Hearing	28.07.2025
Date of Pronouncement	25.09.2025

ORDER

PER MADHUMITA ROY, JM:

The instant appeal filed by the assessee is directed against the order passed by the Ld. NFAC, Delhi dated 03.11.2022 arising out of the Assessment Order dated 25.12.2019 passed by the ITO, Ward 44(5), Delhi, under Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') for Assessment Year 2017 -18.

2. The matter relates to cash deposit to the tune of Rs.3,94,54,700/- in the bank account of the assessee which was added to the total income of the assessee treating the same unexplained cash credit under Section 69A r.w.s 115BBE of the Act for Assessment Year 2017-18.

3. The brief facts leading to the case is this that the assessee engaged in the business of top up values (mobile recharge coupons) on behalf of the telecom distributors service provider i.e. Ezdhan, Vishesh Infosystem. The case of the assessee is this that the top up value is sold on commission basis by the assessee on behalf of the said telecom service provider to local distributors majorly in cash; said cash is deposited into bank account by the assessee himself and sometime by the distributors. Sale payments are also received from the distributors through direct transfers. In that view of the matter, the profit margin of the assessee is very low in the form of commission including in the value of coupon itself. Due to volume of transactions the amount deposited appears to be out of huge transactions but these transactions are only the transaction in money i.e. receipt of money from distributors and further payments to master distributor.

4. The assessee filed its return of income on 05.12.2017 declaring income at Rs.2,73,780/- which was selected for scrutiny through CASS on account of cash deposit during the year and cash deposit during demonetization period. Notices under Section 143(2) was issued on 09.08.2018 and 25.09.2018 followed by questionnaire under Section 142(1) of the Act. As no compliance was made by the assessee notice under Section 133(6) of the Act was issued to Yes Bank & ICICI Bank to provide statement, KYC and other details. It is the case of the Revenue

particularly the AO that though the assessee was given sufficient opportunity to explain the source of cash deposit during the year, the assessee failed to explain disputed cash deposit. Neither the copy of agreement nor any other document executed between the assessee and the mobile operator was furnished. Ultimately the total cash deposit of Rs.3,94,54,700/- was added in the hands of the assessee as stated hereinabove under Section 69 r.w.s 115BBE of the Act.

5. In appeal, the Ld. CIT(A) noted that the assessee failed to prepare and show the complete and detailed cash flow of the transaction with reference to the books of account and the cash deposit made on various dates with different bank accounts. Further that the assessee in response to the notice only uploaded the bank statement and his individual ledger account and the books of Bhagya Enterprises but failed to correlate with the complete cash flow statement showing the details of opening cash balance, receipt of cash from individual for sale of recharge points, cash received from various small distributors for sale of recharge points, withdrawal of cash from bank, deposit of cash to various account on daily basis beginning from 01.04.2016 to 31.03.2017.

6. On the contrary, the ledger account extract of the assessee in the books of account of Bhagya Enterprises uploaded in the system showing no transfers/deposits or withdrawals relating to ICICI Bank & Yes Bank Account Nos. 004601523138 & 18210550117 respectively, wherein cash deposits were made to the tune of Rs.8,63,000/- and Rs.3,41,16,100/- respectively.

7. Heard the respective parties and perused the materials available on record. Having regard to the issue involved in the matter wherein admittedly certain details in regard to the disputed cash deposit remained unexplained in the absence of proper document in support of the case made out by the assessee, we dispose of this matter by remitting the issue to the file of the Ld. CIT(A). The Ld. CIT(A) is directed to call for a remand report from the Ld. AO on the documents to be produced by the Ld. AO in support of the case made as indicated hereinabove and to dispose of the issue by passing a reasons order. The entire process to be completed by the Ld. CIT(A) within a period of 8 months from the date of passing of this order. The Ld. CIT(A) is also directed to grant an opportunity of being heard to the assessee and to pass order strictly in accordance with law.

8. The appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 25.09.2025

Sd/-
(Amitabh Shukla)
ACCOUNTANT MEMBER

Sd/-
(Madhumita Roy)
JUDICIAL MEMBER

Dated 25.09.2025
Rohit, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI