

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "A" NEW DELHI**

**BEFORE SHRI CHALLA NAGENDRA PRASAD, JUDICIAL MEMBER
AND
SHRI S RIFAUR RAHMAN, ACCOUNTANT MEMBER**

**ITA No. 2572/Del/2023
निर्धारणवर्ष/Assessment Year: 2018-19**

INCOME TAX OFFICER ITO, WARD-1(1), ROOM NO.380A, C.R. BUILDING, I.P.ESTATE, NEW DELHI.	बनाम Vs.	AGL LOGISTICS PVT. LTD., C-3/4, GROUND FLOOR, RAJOURI GARDEN, NEW DELHI.
		PAN No.AAICA6378G
अपीलार्थी Appellant		प्रत्यर्थी/Respondent

Assessee by	Shri Sanjeev Jain, CA & Shri Rahul Sangal, CA
Revenue by	Shri Jitender Singh, CIT DR

सुनवाईकीतारीख/ Date of hearing:	26.05.2025
उद्घोषणाकीतारीख/Pronouncement on	16.06.2025

आदेश /O R D E R

PER C.N. PRASAD, J.M.

This appeal is filed by the Revenue against the order of the Ld. CIT(Appeals)-NFAC Delhi dated 19.05.2023 for the AY 2018-19 in deleting the addition made u/s 68 r.w.s. 115BBE of the Act.

2. Ld. DR strongly placing reliance on the order of the Assessing Officer submitted that assessee failed to file any details before the

AO in respect of the credits in the bank account and therefore the Ld. AO rightly made addition u/s 68 of the Act.

3. On the other hand, the Ld. Counsel for the assessee strongly placing reliance on the order of the Ld. CIT(Appeals) submitted that there were no credit entries in the bank account of the assessee. The entire information evidences were furnished before the Ld. CIT(Appeals) and the Ld. CIT(A) called for remand report from the AO and considering the remand reports the Ld. CIT(A) rightly deleted the addition.

4. Heard rival submissions, perused the orders of the authorities below. We observe that the Ld. CIT(Appeals) considered the submissions, evidences filed by the assessee and the remand report of the AO and the averments of the AO of the assessment order and deleted the addition observing as under: -

“7.1 Ground No.3(i) and 3(ii): In this grounds of appeal, the appellant contended the action of AO for making addition of Rs.8,64,89,326/- on account of credits in Axis Bank with regard to financial transactions with M/s. TRAX ENT and addition of Rs.3,01,12,025/- on account of credits in Indusland Bank with regard to financial transactions with M/s Shipair Logistics Pvt Ltd.

7.2 As per STR information, the AO observed that the appellant entered into transaction with M/s. TRAX ENT for an amount of Rs.8,64,89,326/- through appellant's Axis Bank account number bearing 911020064731257 of Axis Bank Ltd, Rajouri Garden Branch, Delhi. During the assessment proceedings, the AO tried to get copy of bank

statement by issuing notices to the appellant and also to the bank. However, the appellant and the bank did not furnish the copy of bank statement to the AO. Therefore, the AO treated the amount of Rs.8,64,89,326/- as unexplained credit u/s 68 of the Act.

7.3 Further, as per the STR information, the AO observed that the appellant has entered into transaction with M/s. Shipair Logistics Private Limited for an amount of Rs.3,01,78,025/- through appellant's Indusland Bank Ltd, Punjabi Bag branch, bearing account no. 201001307826. On comparison with the copy of the bank statement of Indusland Bank Ltd and ledger account submitted by the appellant during the assessment proceedings, the AO noticed that an amount of Rs.66,000/- was only credited on 21.12.2017 towards M/s. Shipair Logistics Pvt Ltd. For the remaining balance, the AO called for explanation by issuing show cause notice but no response filed by the appellant. Therefore, the AO treated the balance amount of Rs.3,01,12,025/- as unexplained credit u/s 68 of the Act. Accordingly, the AO completed the assessment u/s 143(3) rws 144B of the Act on 25.06.2021 determining total income at Rs. 11,73,52,801/- by making addition of Rs.11,66,01,351/- to the returned income.

7.4 In the instant case, the appellant has filed a writ petition W.P.(C) 12279/2022 & CM APPL.36869/2022 before the Hon'ble High Court of Delhi on stay application of demand. The Hon'ble High Court(supra) in its order dated 14.10.2022 received in this office on 22.11.2022, had disposed off the writ petition, in doing so, the Hon'ble High Court(supra) has given directions to dispose off the appeal as early as possible preferably within 6 months. Accordingly, the appellant was issued hearing notice on 28.11.2022. During the appellate proceedings, the appellant submitted written submissions along with bank account statements only on 20.02.2023 & 24.02.2023. Accordingly, the same were forwarded immediately to the AO for his comments. In response thereto, the AO furnished the remand report dated 05.04.2023.

7.5 On perusal of the remand report, it is observed that the AO had not examined the submissions made by the appellant in the light of bank account statements produced during the course of appellate proceedings. Therefore, once again the submissions & the bank account statements of the appellant were forwarded on 10.04.2023, 27.04.2023 & 09.05.2023 to the AO to submit the remand report specifically directing to give his comments considering the bank account statements furnished by the appellant. Despite multiple opportunities, the AO has not furnished the remand report on the appellant's submissions till the date of passing of this order.

7.6 Meanwhile, the remand report submitted by AO dated 05.04.2023 was forwarded to the appellant for his comments. In response thereto, the appellant has furnished rejoinder to the remand report on 20.04.2023, in which the appellant has submitted that the reason for non-compliance to the notices issued during the assessment proceedings was due to Covid pandemic situation in Delhi and technical issues in Income Tax Portal.

7.7 In the written submissions and also in the rejoinder to the remand report, the appellant has re-iterated that the appellant company had not made any transactions with M/s. TRAX ENT and M/s. Shipar Logistics Private Limited during the year under consideration except an amount of Rs.66,000/- which was received from M/s. Shipair Logistics Private Limited. In support of its grounds of appeal, the appellant has submitted copy of bank account statements of Axis Bank & IndusInd Bank, Balance sheet and copy of submissions made before the AO during the assessment proceedings.

7.8 Further, the rejoinder received from the appellant is also forwarded to AO for his comments, however, yet again the AO failed to submit his comments/remand report. Be that as it may, in view of the time limitation as per directions of the Hon'ble High Court order(supra), another reminder to the AO is not given calling for comments on appellant's written submissions and bank account statements & the rejoinder submitted by the

appellant. Furthermore, in the remand report submitted by AO on 05.04.2023, the AO did not deal with merits of the alleged transactions made by the appellant and filed his report without considering the bank account statements furnished by the appellant.

7.9 At this juncture, the grounds, written submissions, assessment order, remand report and rejoinder by the appellant are considered carefully. It is observed that the AO made total addition of Rs.11,73,52,801/- merely based on the STR information that the appellant has entered into high value transactions with the parties i.e., M/s. TRAX ENT and M/s. Shipair Logistics Private Limited. Also, during the course of assessment proceedings the AO did not make any efforts to make further examination/verification regarding the genuineness of the alleged transaction by issuing notices u/s.133(6) to the parties M/s. TRAX ENT and M/s. Shipair Logistics Private Limited. Further, the AO could also have requested the banks to furnish the information regarding the details in STR.

7.10 Accordingly, the bank account statements i.e. Axis Bank Statement bearing A/c No. 91120064731257 for the period 01.4.2017 to 31.03.2018 and Indusland Bank bearing A/c No. 201001307826 for the period 01.06.2017 to 31.03.2018 were examined. On verification, prima facie it is observed that there are no traces of such alleged high value transactions between the appellant and the parties i.e. M/s. TRAX ENT and M/s. Shipair Logistics Private Limited as per the bank account statements as mentioned above. Further, the AO in his assessment order mentioned that as per STR information an amount of Rs. 20,31,56,667/- was credited to appellant's bank accounts during the Previous Year under consideration. During the course of assessment proceedings, the appellant had submitted the information on the cash inflow of the appellant's company before AO. The same was also filed during the course of appellate proceedings."

5. On careful reading of the order of the CIT(Appeals), it is noticed that the Ld. CIT(A) after analyzing the evidences furnished by the assessee and the remand report of the AO deleted the addition made u/s 68 by the AO. None of the findings of the Ld. CIT(Appeals) were rebutted with evidences by the Revenue before us. In the circumstances, we do not see any infirmity in the order passed by the Ld. CIT(A) and therefore the grounds raised by the Revenue are rejected.

6. In the result, appeal of the Revenue is dismissed.

Order pronounced in the open court on 16/06/2025

**Sd/-
(S RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

**Sd/-
(C.N. PRASAD)
JUDICIAL MEMBER**

Dated: 16.06.2025

**Kavita Arora, Sr. P.S.*

Copy forwarded to:

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

**ASSISTANT REGISTRAR
ITAT, NEW DELHI**