

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI “F” BENCH: NEW DELHI**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER &  
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.4954 to 4957/Del/2019  
[Assessment Year : 2014-15 to 2017-18]**

ACIT Central Circle-26 New Delhi	vs	B R R Securities Pvt.Ltd. Shop No.243, North Ex Mall Sector-9, Rohini, New Delhi <b>PAN-AAACK5745K</b>
<b>APPELLANT</b>		<b>RESPONDENT</b>

**C.O.No.75 to 78/Del/2022  
[In ITA No.4954 to 4957/Del/2019]  
[Assessment Year : 2014-15 to 2017-18]**

B R R Securities Pvt.Ltd. Shop No.243, North Ex Mall Sector-9, Rohini, New Delhi <b>PAN-AAACK5745K</b>	vs	ACIT Central Circle-26 New Delhi
<b>APPELLANT</b>		<b>RESPONDENT</b>
<b>Revenue by</b>	Ms. Monika Singh, CIT DR	
<b>Assessee by</b>	Shri Ved Jain, Adv. & Shri Ayush Garg, Adv.	
<b>Date of Hearing</b>	17.03.2026	
<b>Date of Pronouncement</b>	03.06.2026	

**ORDER**

**PER MANISH AGARWAL, AM :**

The captioned appeals are filed by the Revenue and Cross-Objections are filed by the assessee against the different orders, all dated 26.03.2019 by Ld. Commissioner of Income Tax (A)-29, New Delhi [“Ld. CIT(A)”] passed u/s 250 of the Income Tax Act, 1961 [“the Act”] arising out of different assessment orders, all dated 19.12.2018 passed u/s 153C r.w.s. 153A/143(3) of the Act pertaining to Assessment Years 2014-15 to 2017-18 respectively.

2. The issues involved in all captioned appeals filed by the Revenue and Cross-objections filed by the assessee are common, therefore, they have been heard together and accordingly, adjudicated by a common order.

3. First, we take appeal of Revenue in ITA No. 4954/Del/2019 and Cross-objection of Assessee i.e. C.O.No.75/Del/2022 for AY 2014-15.

**ITA No. 4954/Del/2019 & CO No.75/Del/2022 [AY 2014-15]**

4. Brief facts of the case are that assessee company has filed its return of income on 24.09.2014, declaring income of INR 18,490/-. A search and seizure action was carried out in the case of Shri Anand Kumar Jain and Shri Naresh Kumar Jain (Jain Brothers) on 17.12.2015. During the course of search, from the possession of one Shri Kaushal Kumar, an employee of the Jain Brothers Annexure No.13, tally data (hard disk), ledger Name-AJ & Kt were found and seized. As the documents found during the course of search pertained to the assessee, therefore, satisfaction note was recorded by the AO of the person searched and on receiving the same, the AO of the assessee has recorded his satisfaction and on 29.12.2017 initiated the proceedings u/s 153C of the Act by issue of notice on 30.12.2017. In response, the assessee filed return of income on 12.01.2018, declaring the same income as was declared in the original return of income filed u/s 139(1) of the Act. The assessee is engaged in the business of non-banking financial company. The AO based on the documents found and seized during the course of

search in the case of Jain Brothers concluded that the assessee has been used as one of the conduit for providing accommodation entries by Jain Brothers and various individuals and companies were identified as beneficiaries by the Investigation Wing. The funds were received by the assessee company from one of the company/individual managed and controlled by Jain Brothers and thereafter funds were transferred to various beneficiaries after charging commission. The AO accordingly, hold that the assessee has received funds of INR 4,12,37,962/- from 17 such companies which are paper companies managed and controlled by Jain brothers and therefore, credits so received remained unexplained and made the addition u/s 68 of the Act on protective basis. The AO further made addition of INR 1,03,095/- being commission @ 0.25% on the total credits as income of the assessee on substantive basis.

5. Against the said order, assessee filed an appeal before Ld. CIT(A) who vide order dated 26.03.2019, deleted the additions made by holding that the substantive additions have been confirmed in the hands of Shri Anand Kumar Jain & Shri Naresh Kumar Jain which are the persons admittedly, managed and controlled the assessee company and funds credited in the bank accounts of the assessee was actually pertained to them and further deleted the income added as commission by holding that the said commission was received and taxed in the hands of Shri Anand Kumar Jain & Shri Naresh Kumar Jain and thus, partly allowed the appeal of the assessee.

6. Aggrieved by the order of Ld. CIT(A), Revenue is in appeal before the Tribunal by taking various grounds of appeal mentioned in the appeal memo and assessee also filed cross objections.

7. **Ground of appeal Nos. 1 & 2** raised by the Revenue challenging the deletion of addition of INR 4,12,37,962/- made on account of unexplained cash credit on protective basis and further deletion of addition of INR 1,03,095/- made as alleged commission income on substantive basis.

8. Heard the contentions of both parties at length and perused the material available on record. As per the submissions made by the Ld.AR for the assessee, identical facts were came up for consideration before the Co-ordinate Bench of Tribunal in the case of **DCIT vs M/s. VKS Properties P. Ltd. in ITA No.8410 to 8412/Del/2019** and in **C.O. Nos.100 to 104/Del/2022** wherein vide order dated **18.08.2023** the Co-ordinate Bench of the Tribunal has observed that the additions have been confirmed in the hands of the Shri Naresh Kumar Jain therefore, no protective addition is required to be made in the hands of the company. The Co-ordinate Bench further, observed that since the commission on such accommodation entries have already added in the hands of Shri Naresh Kumar Jain, no further addition could be made in the hands of the assessee. The relevant observations of the order of Co-ordinate Bench (supra) are as under:-

7. *“We have heard the rival contentions and perused the case law cited by the Ld. AR for the assessee. We have gone through the impugned order of the Ld. CIT(A) and found that Ld. CIT(A) has*

*elaborately discussed the issue in dispute and deleted the addition in dispute by observing as under:-*

*“...It is noticed that the appellant company has received funds from various concerns and transferred the same to the above mentioned companies/concerns immediately thereafter, and accordingly, appellant company is not beneficiary company. The above arrangement of funds is nothing but part of modus operandi of the accommodation entry provider to introduce the unaccounted funds of the beneficiaries in their respective bank accounts. Further, the AO also in the assessment order has observed that the appellant company was a conduit company operated by Sh. Naresh Jain and Anand Jain to provide accommodation entries to various beneficiaries. Accordingly, the addition in such cases can at best be that of commission earned on such accommodation entries. The commission income earned on providing accommodation entries through the appellant company have already been assessed by the AO in the hands of Sh. Anand Jain and Naresh Jain which has been confirmed by me in their respective appeals. Therefore, I am of the view that no further addition can be made in the hands of the appellant company under the facts as discussed above. Under the circumstances, the protective addition made by the AO of Rs. 12,63,58,536/- is directed to be deleted....”*

- 7.1 *From the above, it is noted that the commission income earned on providing accommodation entries through the assessee company have already been assessed by the AO in the hands of Sh. Anand Jain and Naresh Jain which has been confirmed by the Ld. CIT(A) in their respective appeals. Therefore, Ld. CIT(A) has rightly held that no further addition can be made in the hands of the assessee company and therefore, directed to delete the protective addition of Rs. 12,63,58,536/- made by the AO. We further find that the issue in the instant appeal is squarely covered by the Delhi Tribunal's order dated 28.4.2023 passed in ITA No. 1318/Del/2019 (AY 2010-11) & Ors. in the case of Sh. Anand Kumar Jain vs. ACIT & Ors. wherein, on similar aspect and identical facts and circumstances, the Tribunal held that since the substantive addition has already been completed in the case of Sh. Naresh Kumar Jain, hence, no protective addition can be confirmed at this juncture in the case of the assessee i.e. Anand Kumar Jain in Revenue's ITA No. 2890/Del/2019 (AY 2012-13) and accordingly dismissed the appeal of the Revenue.*
- 7.2 *In view of facts and circumstances of the present case and respectfully following the precedent, as aforesaid, we are of the*

*considered view that Ld. CIT(A) has rightly decided the issue in favour of the Assessee and deleted the addition in dispute, after elaborately discussing the issue in detail, which did not require any interference on our part. Hence, we uphold the findings of the Ld. CIT(A) on the issue in dispute and accordingly reject the ground raised by the Revenue by dismissing the appeal of the Revenue.”*

9. Ld. CIT(A) after appreciating these facts had deleted the additions by making following observations in Para 6 to 7.1 of its order which is reproduced as under:-

6. In Ground nos. 8, 10 and 11, the appellant has challenged the protective addition made by the AO of Rs. 4,12,37,962/- under section 68 of the Act. The AO in the assessment order has made an addition u/s 68 of the Act on account of unexplained credit entries of Rs. 4,12,37,962/- in the bank account of the appellant received from various parties on protective basis. The AO in the assessment order has mentioned that a search operation was carried out on the office and residence of Shri Naresh Kumar Jain and Shri Anand Jain as well as their employees. The AO further mentioned that during the investigation it has been established that various companies including the appellant company were shell companies which were being managed and operated by Jain Brothers for providing accommodation entries by routing unaccounted income of the beneficiaries by depositing cash in the bank accounts of the various shell concerns and thereby routing the funds into the account of beneficiaries through the bank accounts of these shell concerns. The assessing officer in his assessment order has also mentioned that the appellant has only acted as conduit concern for providing accommodation entries to various beneficiaries. As regards the substantive addition the AO has mentioned that information to the assessing officers of beneficiaries has already been disseminated by the investigation wing and further he is also informing the AO of the concerned beneficiaries for taking appropriate action in their respective cases.

6.1. The appellant in its written submissions has given two fold arguments. The appellant has submitted that it is engaged in the business of finance and investment activities as an NBFC (non-banking financial company). The appellant in its written submission has tried to substantiate the genuineness of the credit transactions on the basis of documentary evidences submitted before the assessing officer. The appellant submitted that during the course of assessment proceedings it has discharged its onus u/s 68 of the Act by submitting

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documentary evidences in the form of confirmation, ITR acknowledgement, bank statements, Company master data of the companies, from whom funds were received during the year, in order to prove the identity and credit worthiness of the lender company and genuineness of the transaction.

6.2 In alternative, the appellant also submitted that even if the allegations and observations of the AO in the assessment order is assumed to be true then also there cannot be any addition in the hands of the appellant. The appellant in this regard has also submitted a fund flow statement depicting the source of funds and utilization of the same for payments to alleged beneficiaries. Accordingly, the appellant submitted that when the alleged beneficiaries are indentified then no addition can be made in its hands since it has only acted as a conduit as has been observed by the AO in the assessment order.

6.3. I have considered the facts and circumstances of the case, submission of the appellant and perused the order of the AO. The AO in the assessment order has claimed to have identified the name of beneficiaries and already disseminated the information to the assessing officer of the beneficiaries. Accordingly, the credits received by the appellant cannot be treated as unexplained credit in its hands since, the said transactions are mere arrangement of funds/routing of unaccounted income of the beneficiaries to whom the said funds were transferred through the bank of the appellant company in lieu of commission. In this regard, on perusal of the bank statement and ledger of the appellant company it is evident that the funds have flown in following manner:

Date of Receipt	Receipt/credit from	Amount	Name of the party	Date of Payment	Amount
21-01-2014	NARESH JAIN	9000	NARESH JAIN	31.03.2014	9000
21-01-2014	PANKAJ JAIN	1000	PANKAJ JAIN	31.03.2014	1000

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04-02-2014	RB SOFTWARE PVT LTD	6700000	R.S INFRAUDYOG PVT LTD	4.2.2014	3500000
	RB SOFTWARE PVT LTD		HRG TRADEX PVT LTD	4.2.2014	3000000
	RB SOFTWARE PVT LTD		ANITA ENTERPRISES	8.3.2014	100000
	RB SOFTWARE PVT LTD		MAYFAIR CAPITAL PVT LTD	25.03.2014	100000
08-02-2014	Hdfc Bank	27962	ELECTRICITY EXP	13.02.2014	962
	Hdfc Bank		ELECTRICITY EXP	21.03.2014	730
	Hdfc Bank		Filling Fees	19.06.2014	2500
	Hdfc Bank		SUCCESSMANTRA ONLINE .COM	17.5.2014	23770
06-03-2014	PANKAJ JEWELLERS	1000000	GIRIRAJ COATED FAB PRIVATE LIMITED	6.3.2014	1000000
06-03-2014	PANKAJ JEWELLERS	1000000	GIRIRAJ COATED FAB PRIVATE LIMITED	6.3.2014	1000000

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06-03-2014	PANKAJ JEWELLERS	500000	GIRIRAJ COATED FAB PRIVATE LIMITED	6.3.2014	500000
07-03-2014	Sunil Batra	500000	ANITA ENTERPRISES	8.3.2014	500000
18-03-2014	PREM CHAND JINDAL HUF	500000	INDIA LEASING SERVICES	19.03.2014	500000
18-03-2014	PARMOD KUMAR	1000000	INDIA LEASING SERVICES	19.03.2014	1000000
21-03-2014	SAHIL	500000	MAYFAIR CAPITAL PVT LTD	24.03.2014	500000
21-03-2014	PRADEEP KUMAR	500000	MAYFAIR CAPITAL PVT LTD	25.03.2014	500000
21-03-2014	KOMAL	500000	MAYFAIR CAPITAL PVT LTD	25.03.2014	500000
24-03-2014	GROUPONE INFORMATIVE SERVICES PVT LTD	3500000	MAYFAIR CAPITAL PVT LTD	24.03.2014	3500000
24-03-2014	GROUPONE INFORMATIVE SERVICES PVT LTD	1500000	MAYFAIR CAPITAL PVT LTD	24.03.2014	1500000
24-03-2014	KARDA TRADERS PVT LTD	2000000	MAYFAIR CAPITAL PVT LTD	24.03.2014	2000000

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24-03-2014	COMO INFO SOLUTIONS PVT LTD	2500000	MAYFAIR CAPITAL PVT LTD	24.03.2014	2500000
25-03-2014	GROUPONE INFORMATIVE SERVICES PVT LTD	3000000	MAYFAIR CAPITAL PVT LTD	25.03.2014	1000000
	GROUPONE INFORMATIVE SERVICES PVT LTD		MAYFAIR CAPITAL PVT LTD	27.03.2014	2000000
25-03-2014	M3M TRADERS PVT LTD	2800000	MAYFAIR CAPITAL PVT LTD	27.03.2014	2800000
25-03-2014	C V H SEA LIFES LTD	2900000	MAYFAIR CAPITAL PVT LTD	25.03.2014	2900000
25-03-2014	KARDA TRADERS PVT LTD	4300000	MAYFAIR CAPITAL PVT LTD	25.03.2014	4000000
	KARDA TRADERS PVT LTD		MAYFAIR CAPITAL PVT LTD	27.03.2014	200000
	KARDA TRADERS PVT LTD		TDS Payable	14.05.2014	5150
	KARDA TRADERS PVT LTD		SUCCESSMANTRA ONLINE .COM	17.05.2014	21230
	KARDA TRADERS PVT LTD		Professional Fees & Other Expenses	26.05.2014	13387

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	KARDA TRADERS PVT LTD		SAPPHIRE POLYVINLY PVT LTD	16.7.2014	60233
25-03-2014	MADHU MOHAN AND SONS HUF	5000000	MAYFAIR CAPITAL PVT LTD	25.03.2014	5000000
25-03-2014	JKS IMPEX PVT LTD	1000000	MAYFAIR CAPITAL PVT LTD	25.03.2014	1000000
Total		41,237,962		Total	41,237,962

6.4. From the above transactions, it is noticed that the appellant company has received funds from various concerns and transferred the same to the above mentioned companies/concerns immediately, thereafter and accordingly, appellant company is not beneficiary company. The above arrangement of funds is nothing but part of modus operandi of the accommodation entry provider to introduce the unaccounted funds of the beneficiaries in their respective bank accounts. Further, the AO also in the assessment order has observed that the appellant company was a conduit company operated by Sh. Naresh Jain and Anand Jain to provide accommodation entries to various beneficiaries and said beneficiaries have already been identified. Accordingly, when the beneficiaries are indentified, the addition in such cases can at best be that of commission earned on such accommodation entries. The commission income earned on providing accommodation entries through the appellant company have already been assessed by the AO in the hands of Sh. Anand Jain and Naresh Jain which has been confirmed by me in their respective appeals. Therefore, I am of the view that no further addition can be made in the hands of appellant company under the facts as discussed above.

6.5. Under these circumstances, the protective addition made by the AO of Rs. 4,12,37,962/- is directed to be deleted.



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7. In ground nos. 12 and 13, the appellant has challenged the addition made by the AO of Rs. 1,03,925/-. The AO in the assessment order has made an addition on account of commission income of Rs. 1,03,095/- @ 0.25% of the total credits of Rs. 4,12,37,962/- received from various parties.

7.1. In this regard, it has already been held in para 6.4(supra) that the addition on account of commission income has already been made in the hands of Anand Kumar Jain and Naresh Kumar Jain as these two persons were operating appellant company as conduit for providing accommodation entries. Having held that these two persons were operating these companies including the appellant, I am of the view that no further addition on account of commission is warranted in the hands of appellant company under the facts as discussed above. Therefore, the addition of commission of Rs. 1,03,095/- is directed to be deleted.

10. Since the facts are identical which has been admitted by both the parties during the course of hearing before us and further considering the facts that the additions have been confirmed by Co-ordinate Bench in the case of Shri Naresh Kumar Jain on substantive basis thus there is no occasion to confirm the additions made in the hands of the assessee on Protective basis. Therefore, by respectfully following the order of Co-ordinate Bench of Tribunal in the case of DCIT vs M/s. VKS Properties P. Ltd. (supra), we find no error in the order of Ld. CIT(A) which is hereby, dismissed.

11. Since the assessee has not pressed Cross-objection, the same is hereby, also dismissed.

12. In the result, appeal filed by the Revenue and C.O filed by the assessee, both are dismissed.

**ITA No.4955 to 4957/Del/2019 & C.O.No.76 to 78/Del/2022**  
**[Assessment Year : 2015-16 to 2017-18]**

13. In the above-mentioned paras, we decided the appeal of the Revenue in ITA No.4954/Del/2019 for Assessment Year 2014-15, under identical circumstances and find no error in the order of Ld. CIT(A) and dismissed the appeal of the Revenue. In these remaining appeals filed by the Revenue, both the parties fairly agreed that the facts in the captioned three appeals are similar to the facts in ITA No.4954/Del/2018 for AY 2014-15, thus, by following the aforesaid observations in ITA No.4954/Del/2018 for AY 2014-15 which are ***Mutatis Mutandis*** applicable to the facts of all these three captioned appeals filed by the Revenue. In view of the above, both Ground of appeal Nos. 1 & 2 raised by the Revenue in these captioned three appeals, are dismissed.

14. Since assessee company has not pressed captioned Cross-objections, the same are hereby, also dismissed.

15. In the result, all captioned 03 appeals filed by the Revenue and Cross Objections filed by the assessee, all are dismissed.

16. In the final result, all captioned appeals of the Revenue in **ITA Nos.4954 to 4957/Del/2025** and all captioned Cross-objections of the assessee in **C.O. Nos. 75 to 78/Del/2022, for Assessment Years 2014-15 to 2017-18]** respectively, are dismissed.

Order pronounced in the open Court on 03.06.2026.

**Sd/-**

**(SATBEER SINGH GODARA)  
JUDICIAL MEMBER**

**Sd/-**

**(MANISH AGARWAL)  
ACCOUNTANT MEMBER**

**Date:- 03.06.2026**

*\*Amit Kumar, Sr.P.S\**

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