

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'SMC', NEW DELHI**

**Before Sh. Satbeer Singh Godara, Judicial Member**

**ITA No. 1016/Del/2024 : Asstt. Year: 2017-18**

Gaurangi Merchandise Pvt. Ltd. G-73, 1 <sup>st</sup> Floor, K.S.T. Nagar, New Delhi-110015 (APPELLANT)	Vs	Income Tax Officer, Ward-10(1), Faridabad (RESPONDENT)
<b>PAN No. AAGCG5409C</b>		

**Assessee by : Sh. P. Roychaudhuri, Adv.  
Revenue by : Sh. Sanjay Kumar, Sr. DR**

<b>Date of Hearing: 11.11.2024</b>	<b>Date of Pronouncement: 21.11.2024</b>
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**ORDER**

This assessee's appeal for Assessment Year 2017-18, arises against the order of CIT(A)/NFAC, Delhi dated 06.01.2024 in case No. ITBA/NFAC/S/250/2023-24/1059438490(1) in proceedings u/s 143(3) of the Income Tax Act, 1961 (in short "The Act").

2. Heard both parties at length. Case files perused.

3. It emerges during the course of hearing that both the learned lower authorities have added the assessee's cash deposits made during demonetization amounting to Rs.30.18 lacs on various instances from 29.11.2016 to 14.12.2016 as its unexplained cash credits u/s 68 liable to be assessed u/s 115BBE @ 60%.

4. Both the learned representatives reiterate their respective submission against and in support of the impugned addition. I noticed in this factual background that even learned assessing authority is fair enough in not disputing the crucial fact that the appellant herein is engaged in textile trading business having gross receipts of Rs.34,72,380/- and NP of Rs.1,32,631/-.

5. Coming to the sole substantive issue of correctness of the impugned addition herein, it is sourced its entire purchase of Rs.33,09,890/- from M/s Aggarwal Enterprises. Meaning thereby that even if the assessee's said claim is termed as a mere accommodation entry, the department could not rebut its case that it had also made textile retail sales thereof which could be taken as source of the impugned cash deposits. Be that as it may, it is noticed that neither the assessee has been able to support its case to the satisfaction of the learned lower authorities that the cash deposits are in fact its sales outside books of account nor the department could controvert the assessee to have been engaged in textile trading business activities wherein such sales outside books could not all together ruled out. It is in these peculiar facts of the case that it is deemed appropriate to restrict the impugned addition of Rs.13.18 lacs to a sump sum figure of Rs.10 lacs only with a rider that the same shall not be treated as precedent. The assessee gets relief of Rs.20.18 lacs in other words. Necessary computation shall follow as per law.

6. This assessee's appeal is allowed in above terms.

Order Pronounced in the Open Court on 21/11/2023.

Sd/-  
**(Satbeer Singh Godara)**  
**Judicial Member**

**Dated: 21/11/2023**

\*Subodh Kumar, Sr. PS\*

Copy forwarded to:

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

**ASSISTANT REGISTRAR**