

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

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

ITA No.3310/Del/2025
Assessment Year: 2017-18

Devi Laxmi Extrusion Works, 29, DSIDC Computer Complex Scheme I, Okhla Industrial Area, Phase 2, New Delhi	Vs.	Commissioner of Income Tax (Appeals)/NFAC, Delhi
PAN: AACFD8570G		
(Appellant)		(Respondent)

Assessee by	Sh. B.B. Bhagat, Adv.
Department by	Sh. Manoj Kumar, Sr. DR

Date of hearing	24.07.2025
Date of pronouncement	24.07.2025

ORDER

This assessee's appeal for assessment year 2017-18, arises against the Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre [in short, the "CIT(A)/NFAC"], Delhi's DIN and order no. ITBA/NFAC/S/250/2024-25/1075065707(1), dated 26.03.2025 involving proceedings under section 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

Heard both the parties. Case file perused.

2. Coming straightway to the assessee's sole substantive grievance canvassed in the instant appeal challenging both the learned lower authorities' action assessing its cash deposits during demonetization of Rs.42 lakhs as unexplained under section 68 r.w.s. 115BBE of the Act, in assessment order dated 01.12.2019 and upheld in the lower appellate discussion.

3. It transpires during the course of hearing that in fact the assessee runs a manufacturing unit of aluminum collapsible tubes at Okhla Industrial Area, Phase-2, Delhi. And that it has also declared total business turnover of Rs.63,22,503/- in the relevant previous year which duly stands accepted.

4. It is in light of all these facts that the assessee has invited the tribunal's attention to its duly audited books as well as all purchases having corresponding purchases entries that these cash deposits are in fact its regular business transactions only. The fact however remains that although the assessee's above detailed evidence could not be simply brushed aside, both the lower authorities have quoted its failure to get the relevant facts verified on account of its failure in assessment as well as the lower appellate proceedings. Be that as it may, it is deemed appropriate

in these peculiar facts that a *lumpsum* addition of Rs.2 lakhs only would be just and proper with a rider that the same shall not be treated as a precedent. The assessee gets relief of Rs.40 lakhs in other words.

5. So far as assessee's assessment under section 115BBE is concerned, I quote S.M.I.L.E. Microfinance Ltd. Vs. ACIT, W.P. (MD) No.2078 of 2020 & 1742 of 2020, dated 19.11.2024 (Madras) that the impugned statutory provision would come into effect on the transaction done on or after 01.04.2017 only. The assessee is accordingly directed to be assessed under the normal provision as per law.

No other ground or argument has been pressed before us.

6. This assessee's appeal partly allowed.

Order pronounced in the open court on 24th July, 2025

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 24th July, 2025.

RK/-

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar, ITAT, New Delhi