

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

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No.2684/Del/2023

[Assessment Year : 2017-18]

M/s. Synorich Jewels Pvt.Ltd.,C-4, Community Centre, Janakpuri, New Delhi-110058. PAN-AAOCS3172Q	vs	A.O, Ward-22(4), New Delhi
APPELLANT		RESPONDENT
Appellant by	Shri P.D.Mittal, CA.	
Respondent by	Shri Narpat Singh, Sr.DR	
Date of Hearing	25.06.2025	
Date of Pronouncement	19.09.2025	

ORDER

PER MANISH AGARWAL, AM :

The present appeal is filed by assessee against the order dated 28.07.2023 passed by Ld. Commissioner of Income Tax (A), National Faceless Appeal Centre (“NFAC”), Delhi [“Ld.CIT(A)”] in Appeal No.CIT(A), Delhi-8/10820/2019-20 u/s 250 of the Income Tax Act, 1961 [“the Act”] arising out of assessment order dated 27.12.2019 passed u/s 143(3) of the Act pertaining to assessment year 2017-18.

2. Brief facts of the case are that the assessee e-filed return of income on 07.11.2017, declaring total income of INR 1,29,360/-. The

case was selected for scrutiny through CASS for the reason that the assessee has made cash deposit during the period of demonetization in SBN totaling to INR 1,13,53,000/-. During the course of assessment proceedings, assessee has filed certain details based on which AO observed that the majority of the sales was made by the assessee during the period from October 2016 to 08.11.2016. The AO has hold the average sales of INR 5,56,171/- as reasonable during this period and further allowed the credit of opening cash in hand at INR 1,89,481/- and made the addition of INR 1,06,07,348/- as unexplained cash credit u/s 68 r.w.s. 115BBE of the Act and income was finally assessed at INR 1,07,36,710/-.

3. Against this order, assessee preferred appeal before Ld.CIT(A). Ld.CIT(A) vide impugned order dated 28.07.2023, dismissed the appeal of the assessee therefore, the assessee is in appeal before the Tribunal by taking following grounds of appeal:-

1. *“That the Ld. A.O. as well as Ld. CIT(A) NFAC has eared while assessing Rs. 1,06,07,348/- U/s 68 of the Income Tax Act, 1961, in spite of the fact that all these transactions are trade transactions i.e. sale of goods without exception.*
2. *That the Ld. A.O. as well as Ld. CIT(A) NFAC is wrong and has cared while adding Rs.1,06,07,348/- U/s 68 of the Income Tax Act, 1961, in spit of the fact that books of accounts submitted before the Ld. A.O. does not show even a single transaction wherein any sum is found credited. Conversely cash was received from trade debtors.*
3. *That the Ld. A.O. as well as Ld. CIT(A) NFAC has failed to appreciate the golden rule of law THE APPARENT IS REAL as upheld by the Honble Supreme Court in the case of CIT Vs Bedi and Co. Pvt. Ltd. reported in 230 ITR page 580. Thus the Ld. A.O. has also failed to discharge the burden of proof lies on the Income Tax Department on the facts and circumstances of the case Conversely the Ld. A.O. as well as*

Ld. CIT(A) NFAC has also neither even challenged the purchase transactions/sale transactions of the assessee company put any cognate reason for disbelieving the assessee company in respect of cash deposit made by the assessee company during the demonetization period.]

4. *That the L.d. A.O as well as Ld. CIT(A) NFAC has failed to point-out any error/mistake/irregularity in the books of account of the assessee company in any form or in any manner. Furthermore the Ld. A.O as well as Ld. CIT(A) NFAC has also not recorded any finding to the U/s 145 rejecting the books of account.*
5. *That the Ld. A.O as well as Ld. CIT(A) NFAC has also failed to provide just and reasonable opportunity to produce the buyers who have purchased the goods from the assessee company.*
6. *That the ld. A.O. as well as Ld. CIT(A) NFAC has also not made any enquiries in respect of sales made by the assessee company from the buyers.*
7. *That the entire Assessment Order is wrong, arbitrary, illegal, unjust against the facts as well as against the Law.*
8. *That the appellant craves leave to amend any one or more of the grounds of appeal as stated above as & when the need for doing so arise.”*

4. Heard the contentions of both the parties and perused the material available on record. It was the submissions of Ld.AR that during the course of assessment proceedings, certain details were filed by the assessee and before Ld.CIT(A) in terms of the submissions dated 29.06.2023, the assessee has filed all the details to substantiate the source of cash deposited into bank during demonetization in SBN including the quantitative details of gold ornaments and silver ornaments, copy of VAT returns, copy of month-wise cash book details, bills of cash sales etc. It was the submission of Ld.AR that the assessee has filed all these evidences however, lower authorities has failed to appreciate the facts and confirmed the additions solely on presumption & assumption without even going through the details so filed. On perusal of the order of AO, it is seen that assessee has filed

replies on two occasions and part of the submissions were discussed by the AO wherein the main allegation of the AO was that since the majority of sales were in the month of October, 2016 and November, 2016 upto 08.11.2016 and since such a huge amount of sales is contrary to the average sales therefore, the cash deposit was not accepted however, the AO has accepted the trading results declared and not invoked the provision of section 145(3) of the Act. From the perusal of the appellate order, it is seen that Ld.CIT(A) has reproduced the observation made by the AO and the submissions filed by the assessee and thereafter, in para 6 of the order, gave his findings. It is seen that Ld.CIT(A) has not discussed the details filed by the assessee in support of the source of the cash deposited being claimed out of cash as sales made during the period from 01.10.2016 to 08.11.2016 and such cash was stated to have been available as on the date when the demonetization was announced by the Hon'ble Prime Minister. Looking to these facts, the assessee should be provided fair and reasonable opportunity of being heard by Ld.CIT(A) as the Ld.CIT(A) has not provided proper opportunity to the assessee. Since all these details were not filed before the AO therefore, we set aside the orders of lower authorities and remand the matter to the file of AO with a direction to decide the issue after properly considering the submissions filed by the assessee alongwith necessary evidences. Needless to say that assessee should be provided sufficient opportunity of being heard to furnish necessary documents and information.

5. In the result, appeal of the assessee is partly allowed for statistical purposes.

Order pronounced in the open Court on 19.09.2025.

Sd/-

**(ANUBHAV SHARMA)
JUDICIAL MEMBER**

Sd/-

**(MANISH AGARWAL)
ACCOUNTANT MEMBER**

Date:-19.09.2025

Amit Kumar, Sr.P.S

Copy forwarded to:

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2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT
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ITAT, NEW DELHI