

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

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

ITA No.5512/Del/2025
Assessment Year: 2017-18

Sh. Naveen Kumar, 23/671, DDA Flats, Madangir, New Delhi	Vs.	Income Tax Officer, New Delhi
PAN: ANMPK5427C		
(Appellant)		(Respondent)

Assessee by	Sh. Nitin Kumar Rai, Adv.
Department by	Sh. Manoj Kumar, Sr. DR

Date of hearing	29.10.2025
Date of pronouncement	29.10.2025

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/250/2025-26/1078900173(1), dated 25.07.2025 involving proceedings under section 144 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

Heard both the parties. Case file perused.

2. It emerges during the course of hearing that the assessee/appellant is aggrieved against both the learned lower authorities' respective findings treating his cash deposits of Rs.15

lakhs during demonetization; as unexplained under section 68/69 r.w.s. 115BBE of the Act, in assessment order dated 09.12.2019 as upheld in the lower appellate discussion.

3. That being the case, learned counsel has invited the tribunal's attention to the clinching fact that the assessee all along is engaged in hosiery trading business wherein he had also filed his income tax return for the preceding assessment year 2016-17 very well before the impugned cash deposits. This is indeed coupled with the fact that he has further placed on record the assessee's balance-sheet as well as P & L Account of the said preceding assessment year. Faced with this situation, the tribunal hereby finds part merit in the assessee's case as he has proved his regular business activity in principle wherein such cash deposits; although not specifically reconciled or verified to the entire satisfaction of the learned lower authorities, could not be altogether brushed aside. That being the case, it is deemed appropriate in the larger interest of justice 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.13 lakhs in other words. Necessary computation shall follow as per law.

4. 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.

5. This assessee's appeal is partly allowed.

Order pronounced in the open court on 29th October, 2025

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 29th October, 2025.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi