

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

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

**ITA No.6570/Del/2025
Assessment Year: 2017-18**

Verma Electronics, F-2/15-16, Mangolpuri, Delhi-110083	Vs.	Income Tax Officer, Ward- 34(5), Civic Centre, New Delhi-110001
PAN: AACFV9851A		
(Appellant)		(Respondent)

Assessee by	Shri Rakesh Jain, Adv. & Shri Gurjeet Singh, CA
Department by	Sh. Manoj Kumar, Sr. DR

Date of hearing	26.11.2025
Date of pronouncement	26.11.2025

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/250/2025-26/1079883222(1), dated 22.08.2025 involving proceedings under section 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

Heard both the parties at length. Case file perused.

2. A perusal of the case file during the course of hearing, it emerges that the assessee/appellant is aggrieved against the

lower authority's action treating its cash deposit amounting to Rs.30.45 laks during the demonetization as unexplained u/s 68 r.w.s. 115BBE of the Act, in assessment order dated 29.12.2019 as upheld as upheld in the lower appellate discussion.

3. I have given my thoughtful consideration to the assessee's and Revenues' vehement submission. The ld. Counsel has invited the tribunal's attention to the assessee's paper book running into page 198 pages comprising his books of account, reconciliation of sales and purchases, cash deposits etc. The Revenue could hardly dispute that both the lower authorities have nowhere specifically rebutted all these supporting document either in the assessment or in the lower appellate proceedings. The fact however remaining, the assessee has not proved the source of improvement of cash deposit despite the fact that it is stated to be engaged in sale of electronic items business all along. Be that as it may, this tribunal is of the considered view that both the learned lower authorities could not have summarily rejected the assessee's foregoing explanation, reconciling on its cash deposits to regular business sales, it is deemed appropriate that lumpsum addition of only Rs.2.5 lakhs in the given facts would be just and

proper with a rider that the same shall not be treated as precedent. Necessary computation shall follow as per law.

4. So far as assessee's assessment under section 115BBE is concerned, we 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 26th November, 2025.

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 26th November, 2025.

Shekhar

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi