

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

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

ITA No. 7297/Del/2025

Assessment Year: 2017-18

Rajinder Singh Jain, I-86 B Garhwali Mohalla Laxminagar (East Delhi)-110092.	<u>Vs</u>	Income Tax Officer, Ward-70(1), Delhi.
PAN:AAJPJ 5375 Q		
APPELLANT		RESPONDENT
Assessee represented by		Shri Mukul Gupta, CA
Department represented by		Shri Amit Shukla Sr. DR
Date of hearing		24.12.2025
Date of pronouncement		24.12.2025

ORDER

PER SATBEER SINGH GODARA, JM:

This assessee's appeal ITA no. 7297/Del/2025 for assessment year 2017-18 arises against CIT(A)JCIT(A), Thiruvananthapuram's order dated 18.09.2025 (DIN & Order No. ITBA/APLS/S/250/2025-26/1080889675(1), in proceedings u/s 143(3) 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 during demonetization of Rs. 14.21 lakhs as unexplained money added u/s 69A r.w.s. 115 BBE of the Act; in assessment order dated 29.11.2019, as upheld in the lower appellate discussion.

3. That being the case, this tribunal hereby notices from a perusal of the case records with the able assistance coming from both the sides that the assessee appears to have withdrawn total cash amount aggregating to Rs. 69.71 lakhs in the relevant financial year from 2.7.2016 to 19.11.2016. Learned counsel has further referred to the assessee's twin bank accounts' statements maintained with State Bank of Patiala and ICICI Bank. The necessary inference which prima facie arises in this factual backdrop is that the assessee's cash deposits are his earlier cash withdrawals although not pleaded and proved to the entire satisfaction of both the learned lower authorities.

4. Faced with this situation, it is deemed appropriate in the larger interest of justice that a lump sum addition of Rs. 2 lakhs only in the given facts would be just and proper with a rider that the same will not be treated as a precedent. The assessee gets relief of Rs. 12.21 lakhs in other words. Necessary computation shall follow as per law.

5. So far as the assessee's assessment u/s 115BBE is concerned, the revenue could hardly dispute that hon'ble Madras high court in SMILE Microfinance Ltd.

v. ACIT in WP(MD) No. 2078 of 2020 & 1742 of 2020 dated 19.11.2024 (Mad.) has already settled the issue that Section 115BBE applies on transactions on or after 01.04.2017 only. I, accordingly direct the Assessing Officer to finalize the consequential computation under normal provisions than u/s 115BBE of the Act in very terms. Ordered accordingly.

6. This assessee's appeal ITA No. 7297/Del/2025 is partly allowed in very terms.

Order pronounced in open court on 24.12.2025.

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 29.12.2025.

MP

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI