

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
DELHI BENCH: 'E' NEW DELHI**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER  
AND  
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

ITA No.1895/Del/2024  
Assessment Year: 2017-18

Oriental Vacations and Journeys Pvt. Ltd., S-09 and 10, IInd Floor, Manish Royal, Plaza-II, Plot No. 20, Sector-10, Dwarka, New Delhi	<b>Vs.</b>	ACIT, Circle-19(1), New Delhi
<b>PAN: AAACO9612R</b>		
<b>(Appellant)</b>		<b>(Respondent)</b>

Assessee by	Sh. Saurav Malhotra, CA Sh. Rajat Sharma, Adv.
Department by	Ms. Ankush Kalra, Sr. DR

Date of hearing	13.01.2026
Date of pronouncement	13.01.2026

**ORDER**

**PER SATBEER SINGH GODARA, JM**

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/250/2023-24/1061525272(1), dated

26.02.2024 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 to the assessee's sole substantive ground raised in the instant appeal, we notice that it is aggrieved against the CIT(A)/NFAC's lower appellate discussion partly restricting the Assessing Officer's assessment findings treating its cash deposits of Rs.40.70 lakhs as unexplained under section 68 of the Act to the extent of Rs.28,40,208/- in the lower appellate discussion; reading as under:

*“6.0. ANALYSIS OF THE FACTS AND ADJUDICATION OF THE GROUNDS:*

*6.1. After considering the Order under dispute, Grounds of the appeal, the facts of case and as well as submissions made by the appellant, the case is discussed and decided hereunder:*

*6.2 The appellant has raised as many as six grounds of appeal, while the ground no. 1 is general in nature and no separate adjudication is required on this ground. Further, the appellant vide ground no.2, 3, 4 and 5 contended that the impugned addition made u/s 68 of the act is unjustified and the same liable to be deleted. I have perused the impugned order and on examination of facts of the case, it is revealed that the appellant found to have deposited the cash amounting to Rs.40,70,000/- into its bank account held with ICICI (Account no:025005002552). The appellant stated to have disclosed the above cash deposits in its total turnover of Rs. 111720351/- and the relevant ITR for the A.Y., 2017-18 was also filed by the assessee after disclosing the total income of Rs. 64,71,364/-*

*6.3. After detailed verification of the facts and the previous return of the assessee, there was a sharp rise in the turnover if that can be compared with the previous year, i.e. 2015-16. The total turnover of the appellant for the A.Y. 2016-17 was at Rs. 5,29,94,134/- and*

whereas the total turnover for the year under consideration disclosed by the assessee was at Rs. 11,17,20,351/- which is almost doubled its previous turnover. Nonetheless, it is to mention that the appellant is carrying out business activities of Tour and Travel agency and the keeping in view of the same, the cash component in sales is not a matter of surprising element. Therefore, the entire cash deposit of Rs 40,70,000/- on a single day during the demonetization cannot be held as ingenuine. In this instant case, the AO has not analyzed the details properly which have already been provided by the appellant in response to the notice issued for seeking relevant details of Cash deposits during the demonetization prior to the selection of case for scrutiny before concluding the impugned assessment. On perusal of the details submitted by the appellant in "Cash Transactions-2016, it is observed that the cash was deposited out of the following sources during the demonetization:

Sl.No	Particulars	Amount (In Rs)
1.	Withdrawals from IndusInd Bank	833500
2.	Cash received from identifiable persons (with PAN)	1575794
3.	Cash received from identifiable persons (without PAN)	883789
4.	Cash received from unidentifiable persons	897687
Total		4190770

Though, the assessee claiming cash withdrawals of Rs. 8,33,500/- from its another bank account held with Indusind Bank (A/c no: 259811535557) as one of the source of cash deposits into its bank account in ICICI Bank, the said account found to have not disclosed in its return of income either in the A.Y. 2016-17 or in A.Y. 2017-18. Therefore, in my considerable opinion the said claim is not to be treated as genuine in absence of the any relevant bank statements on file. Further, the cash stated to have been received from unidentifiable persons while giving their services was at Rs.8.97,687/- and the same found to be misleading fact as far as the activities of the appellant is concerned. It is an undoubted fact that the appellant is engaged in providing the services to its customers for tours and travels and in this scenario, without obtaining the details of the particular customers those who are intending to travel, how can it be possible for the appellant to arrange the facilities to the customers in the respective tours and how the appellant arranging tickets without knowing their Name and identity. Thereby, the facts provided by the appellant are not convincing at all and the plea of the appellant need to be rejected as it deemed fit.

6.4 The remaining two sources for the said cash deposits were claimed to be the cash sale to the identifiable persons, the total amount claimed therein for these two sources were at Rs.24,59,583/- . On examination of the Cash books, it is noticed that the appellant claiming cash sales to the above two categories of clients and these cash sales found to have been done long back during the same financial year, some of such sash sales were tabulated below for ready reference:

Cash received from	During the month of	Cash sales Amount (in Rs)
Visible tour planner	April, 2016	4,47,944
Anuj Gupta	June and August, 2016	1,72,600
Trip Craft	Sept, Oct and Nov,2016	5,00,000
NK Travels and Tours	June, Aug and Sept,2016	2,64,250
GHP Holiday planners	Sept, 2016	1,91,000
Sourabh Sood	April, 2016	41,410
Holiday dreams	April, 2016	10,000
Brij Mohan Sharma	July, 2016	3,32,500

As seen from the above, the appellant has claiming very back dated sales to support his claim of cash sources against the deposits into its bank account. Since, the appellant providing services to the customers and the same cannot be done without spending a single rupee either by cash or through the bank after depositing the cash in time to time. Appellant claimed to have accumulated the cash receipts from different clients from April, 2016 to the date of demonetization which is practically not feasible for this type of business activities which the appellant engaged with. By going through the facts and circumstance of the issue, I am of the considerable opinion that the cash sales way back in the month of April and so on should not be allowed as sources for the cash deposits during the period of demonetization. To meet both ends of justice, I am of the opinion that the half of the cash sales prior to the demonetization should be allowed and to be taken as the genuine sources for the cash deposits into its ICICI bank account and thereby, an amount of Rs. 12,29,792/- which is half of total cash sales claimed to have been done with the clients of categories of identifiable persons (with PAN) and (without PAN) has been allowed as per the claim made therein the response of appellant and remaining amount of Rs.12,29,791/- is remain unexplained and the addition made by the AO to that extent is upheld. As already discussed in the preceding para, the cash withdrawals from its other bank account amounting to Rs.8,33,500/- in Indusind bank account

*and cash sales to the unidentifiable persons to the tune of Rs.8,97,687/- were already rejected and not considered as genuine source of Cash deposits during the demonetization. Therefore, the appellant get the relief of Rs.12,29,792/- from the impugned addition of Rs. 40,70,000/- under section 68 of the Act. The AO has been directed to give the relief accordingly.”*

This is what leaves the assessee aggrieved.

3. Both the learned representatives vehemently reiterate the assessee's and the Revenue's respective stands against and in support of the impugned addition. We make it clear that it has already come on record that the assessee/appellate is engaged in tour and travelling business involving both the organized as well as unorganized sector wherein neither the possibility of accumulated cash in hand nor the same forming part of its regular business turnover; could altogether be denied; although it has *prima facie* pleaded and proved all the relevant facts to the satisfaction of both the learned lower authorities. Be that as it may, we deem it appropriate in this factual backdrop that a *lumpsum* addition of Rs. 3 lakhs only would be just and proper with a rider that the same shall not be treated as precedent. The assessee gets relief of Rs.25,40,208/- out of the remaining addition upheld to the tune of Rs.28,40,208/- in the lower appellate discussion. We further

make it clear that the assessee's corresponding book entries are hereby rejected to the very extent.

4. So far as the 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 13<sup>th</sup> January, 2026***

***Sd/-***  
**(AMITABH SHUKLA)**  
**ACCOUNTANT MEMBER**

***Sd/-***  
**(SATBEER SINGH GODARA)**  
**JUDICIAL MEMBER**

Dated: 15<sup>th</sup> January, 2026.

*RK/-*

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi