

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

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI S RIFAUR RAHMAN, ACCOUNTANT MEMBER**

ITA No.4212/Del/2024
Assessment Year: 2017-18

Sh. Manoj Kumar Verma, Prop. MD Jewellers, 1103/2, Shastri Nagar, Meerut	Vs.	NFAC, Delhi
PAN: AAZPV9933A		
(Appellant)		(Respondent)

Assessee by	None
Department by	Ms. Ankush Kalra, Sr. DR

Date of hearing	08.01.2026
Date of pronouncement	08.01.2026

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/250/2024-25/1067013650(1), dated 25.07.2024 involving proceedings under section 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

Case called twice. None appears at the assessee's behest. He is accordingly proceeded *ex-parte*.

2. Learned departmental representative vehemently argues that both the learned lower authorities have rightly treated the assessee's cash deposits and unsecured loans of Rs.92 lakhs and Rs.17 lakhs; respectively, under section 69A and section 68 of the Act; in assessment order dated 18.11.2019 as upheld in the lower appellate discussion.

3. We have given our thoughtful consideration to the assessee's and the Revenue's respective pleadings. The Revenue could hardly dispute that even going by the Assessing Officer's assessment discussion, the assessee had admitted total sales in jewellery wholesale and retail business activity, as the case may be, amounting to Rs.8.69 crores, Rs.9.16 crores and Rs.14.99 crores for F.Y. 2015-16, 2016-17 and 2017-18, respectively. Necessary inference which would *prima facie* arise in the assessee's favour in this backdrop is that the impugned cash deposits form part of his jewellery sales only; although not reconciled and verified to the entire satisfaction of both the learned lower authorities.

4. So far as the remaining addition amount of Rs.17 lakhs is concerned, we note that although the assessee has tried to explain the source thereof that it had come from one Sh. Ankit Gupta via banking route, the same admittedly preceded cash deposits in the other parties' account thereby raising serious doubt of genuineness in the entire explanation. We thus find merit in both the learned lower authorities' respective findings invoking section 68 of the Act in principle.

5. Next comes the third and final issue of quantification of the impugned twin additions in the assessee's hands. We are of the considered view that given the fact that the assessee has already declared the foregoing huge turnover, the impugned latter sum of Rs.17 lakhs could indeed be held that arising from cash sales only though routed via Mr. Ankit Gupta. Be that as it may, we deem it appropriate in this factual backdrop that both the impugned additions of Rs. 92 lakhs and Rs.17 lakhs ought to be assessed as part of the assessee's regular business turnover and a *lumpsum* GP estimation thereupon @ 6% would be just and proper with a rider that the same shall not be treated as precedent. Necessary computation shall follow as per law.

5. 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.

6. This assessee's appeal is partly allowed.

Order pronounced in the open court on 8th January, 2026

Sd/-
(S. RIFAUR RAHMAN)
ACCOUNTANT MEMBER

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 16th January, 2026.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi