

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“A” BENCH, DELHI**

**BEFORE SHRI S RIFAUR RAHMAN, ACCOUNTANT MEMBER &  
SHRI ANUBHAV SHARMA, JUDICIAL MEMBER**

**ITA No. 1535/Del/2024  
(Assessment Years: 2020-21)**

B.R. Goel and Sons, C-28, Preet Vihar, East Delhi-110092	Vs.	DCIT, CC-29 Jhandwalan New Delhi
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AADHB5670C		
Appellant	..	Respondent

**ITA No. 2143/Del/2024  
(Assessment Years: 2020-21)**

ACIT, Central Circle-29 Room No. 322, E-2, ARA Centre, Jhandewala Extension, New Delhi – 110055	Vs.	M/s B.R. Goel & Sons, C-28, Preet Vihar, Nirman Vihar, S.O. East Delhi-110092
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AADHB5670C		
Appellant	..	Respondent

Appellant by :	Sh. Anil Jain, CA
Respondent by :	Sh. Jitender Singh, CIT, DR

Date of Hearing	04.11.2025
Date of Pronouncement	21.01.2026

## ORDER

### **PER ANUBHAV SHARMA, JM:**

These cross appeals preferred by the assessee and the Revenue against the common order dated 08.02.2024 of the Ld. CIT(A)-30, New Delhi, (hereinafter referred as Ld. First Appellate Authority or in short Ld. 'FAA') in DIN No : ITBA/APL/M/250/2023-24/1060635529(1) arising out of the common assessment order dated 27.09.2021 u/s 153A/143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') passed by the DCIT, CC-9, for AY: 2020-21.

2. The brief facts of the case there has been a search and seizure operation u/s 132 on the assessee on 30.01.2020. A notice u/s 153A has been issued and served on 03.02.2021. In response to notice the assessee company has e-filed return declaring total LOSS of Rs.1,69,847/-. While making the assessment the Ld AO has added Rs.1,09,14,500/- u/s 68 of the Act in the total income of the assessee on account of unexplained cash credit on account of cash deposited in the bank account, Rs.13,24,861/- @ 4 per cent of the amount of Rs.3,31,21,530/- alleged to have been credited in bank a/c by treating the same as pertaining to hawala transaction, Rs.21,97,748/- u/s 69 as alleged

income @ 12 per cent on the loans given outstanding as on 31.03.2019 which also includes the opening balances and Rs. 18,35,000/- u/s 69 on account of cash seized during the search Now the assessee is in appeal against the above said addition.”

3. The ld. CIT(A) has deleted the addition of Rs.1,09,14,500/- u/s 68 of the Act on the basis that assessee had succeeded before the Tribunal in ITA No. 9084/Del/2019 order dated 21.02.2023 for AY: 2011-12 and relying AY: 2011-12 order only the Assessing Officer had made addition in the present year also.

4. The addition on account of deposit in the bank account was made to the extent of Rs.13,24,861/- on the basis of 4% of the total amount credited in the bank account of the assessee. The ld. CIT(A) has deleted the same by following relevant findings:

“10.1 The observations of the Assessing Officer and the submission of the appellant have been carefully perused. The issue of cash deposits in the bank account of the appellant has been discussed in the previous grounds. It is not disputed that the assessee is engaged in the business of exchanging the soiled notes and changing of currency. Further, the appellant used to deposit and withdraw cash from its bank account. The appellant had submitted its P&L A/c., computation of income, bank statement and the cash book etc. to

the Assessing Officer during the course of assessment proceedings and the Assessing Officer has not pointed out any mistakes in the cash books or any mismatch with the transactions in the bank with the books of accounts of the assessee. The Assessing Officer has also not pointed out any mistake in the expenses claimed by the appellant in its P&L A/c. on the turnover of sales and commission declared by the appellant. The Assessing Officer has also not challenged that the revenue shown by the appellant in P&L A/c. was not justifiable. Therefore, I find that the estimation @ 4% of the amounts credited in the bank account as commission suffers from arbitrariness and surmises which cannot be justified. Accordingly, the addition made by the Assessing Officer is found to be not sustainable and is hence, deleted.”

5. Then addition of Rs.1,83,14,570/- has been deleted on the basis that the same was merely a deemed interest income component and as assessee has not charged any interest in profit & loss account at the expense there can be no addition on deemed interest.

6. However, Id. CIT(A) has upheld the addition of Rs.18,35,000/- on account of cash seized during the search operations on the basis that books of account were not produced to justify the cash and the statement recorded that it was unaccounted.

7. Accordingly, both assessee and revenue are in appeal before this Tribunal.

8. On going through the impugned orders we find that the order of Id. CIT(A) is self speaking with regard to fact that Assessing Officer's conclusions were based on certain findings recorded in AY: 2011-12 but the Tribunal has benefitted the assessee accepting its plea of being in business exchange of torn and spoiled bank notes in a currency note into new/fresh which vice versa on discounted/commission basis. Thus, it is the cash book alone which is of vital relevance and, if, we go through the assessment order passed for the relevant year Assessing Officer records in para 10 that *“mere production of a cash book in which the cash deposits under examination are shown as cash deposited in bank without any further details, is not sufficient to bring the case of the assessee out from the ambit of Section 68 of the Income Tax Act, 1961.”*

9. Then in para 14, Assessing Officer observes that assessee has deposited the huge cash and immediately transferred to another bank account of any person. The cash does not support the business activity as stated by the assessee HUF in its submission. Similar type of cash book was produced by AR of the assessee in the assessment proceedings for AY: 2011-12 which was also rejected by Assessing Officer and upheld by Id. CIT(A).

10. However, once assessee's nature of business stand accepted by the Tribunal in AY: 2011-12 (supra) then rejection of cash book is not sustainable and Id. CIT(A) also accepted this plea while deleting addition of 4% income of commission, thus, ground raised have not substance.

11. However, with regard to ground of challenge of addition of Rs.18,35,000/- by the assessee, we consider it appropriate to restore the issue to the files of Assessing Officer to re-examine the cash flow and cash book of the assessee and give finding afresh with regard to cash seized and added as a unexplained.

12. Consequently, the appeal of revenue is dismissed and assessee is allowed for statistical purposes.

Order pronounced in the open court on 21.01.2026

Sd/-  
(S Rifaur Rahman)  
ACCOUNTANT MEMBER

Sd/-  
(Anubhav Sharma)  
JUDICIAL MEMBER

Dated 21.01.2026  
Rohit, Sr. PS

Copy forwarded to:

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

ASSISTANT REGISTRAR  
ITAT NEW DELHI

1.	Date of dictation of Tribunal Order	13.01.2026
2.	Date on which the typed draft Tribunal Order is placed before the Dictation Member	14.01.2026
3.	Date on which the typed draft Tribunal Order is placed before the other Member	
4.	Date on which the approved draft Tribunal Order comes to the Sr. P.S. /P.S.	
5.	Date on which the fair Tribunal Order is placed before the Dictating Member for pronouncement ;	
6.	Date on which the signed order comes back to the Sr. P.S./P.S	
7.	Date on which the final Tribunal Order is uploaded by the Sr. P.S. /P.S. on official website	
8.	Date on which the file goes to the Bench Clerk along with Tribunal Order	
9.	Date of killing off the disposed of files on the judiSIS portal of ITAT by the Bench Clerks	
10.	Date on which the file goes to the Supervisor (Judicial)	
11.	Date on which the file goes for Xerox	
12.	Date on which the file goes for endorsement	
13.	Date on which the file goes to the superintendent for checking	
14.	The date on which the file goes to the Assistant Registrar for signature on the tribunal order	
15.	Date on which the file goes to dispatch section	
16.	Date of Dispatch of the Order	