

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

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER**

**AND**

**SHRI AMITABH SHUKLA, ACCOUNTNAT MEMBER**

**ITA No.6388/DEL/2025**

**[Assessment Year: 2017-18]**

|  |    |   |
|--|----|---|
| Harshish Singh,<br>51 Basement, M. B. Road,<br>Sainik Farms,<br>New Delhi-110024 | Vs | Income Tax Officer,<br>Ward-28(8),<br>New Delhi |
| <b>PAN-AVXPS3485K</b>  |    |   |
| Assessee   |    | Revenue   |

|             |   |
|-------------|---|
| Assessee by | Shri Alok Yadav, Adv.<br>Ms. Ameesha Malhotra, Adv. |
| Revenue by  | Ms. Amish S Gupt, CIT-DR                            |

|                              |                   |
|------------------------------|-------------------|
| <b>Date of Hearing</b>       | <b>19.01.2026</b> |
| <b>Date of Pronouncement</b> | <b>19.01.2026</b> |

**ORDER**

**PER AMITABH SHUKLA, AM,**

This appeal filed by the assessee is against order dated 11.08.2025 of National Faceless Appeal Centre/learned Commissioner of Income Tax(Appeals), [hereinafter referred to as 'ld. CIT(A)] arising out of assessment order dated 21.12.2019 passed under section 143(3) of the Income Tax Act, 1961 pertaining to Assessment Year 2017-18. The word 'Act' herein this order would mean Income Tax Act, 1961.

2. Brief facts of the case are that the appellant assessee during the A.Y 2017-2018 derived income from sale and purchase of diamonds and jewelleryes

had filed its Return of Income for A.Y 2017 -2018 on 17.11.2017 under section 139 declaring total income of Rs.12,04,630/- u/s 44AD of the Act. The case of appellant was selected for scrutiny through Computer Assisted Scrutiny Selection (“CASS”), wherein it was revealed that as per the information available on record, the appellant had made cash deposits in his bank account during the demonetisation period. The Ld. Assessing Officer after taking into consideration the circumstances and the material available on record, passed Assessment Order under section 143(3) of the Act on 21.12.2019 at an assessed income of Rs.87,98,580/- as against the returned income of Rs.12,04,630/- by making additions under section 68 on account of unexplained cash deposits of Rs.64,62,000/-, on account of unsecured loan of Rs.5,00,000/- and on account of advance credit received from sundry creditors as well as advances from customers of Rs.6,31,950/- of the Act as unexplained cash credit. In appeal, the ld. CIT(A) confirmed the addition under section 68 made by the ld. Assessing Officer.

3. Per Contra, Ms. Amish S Gupt, ld. CIT-DR supported the orders of the authorities below.

4. We have heard rival submissions in the light of material placed on record. The ld. Counsel for the assessee has invited our attention to the assessee’s paper book as additional evidence running, inter alia, containing extract of his books of account, reconciliation of sales and purchases, cash deposits etc. It was

contended that the same is necessary for the adjudication of this appeal. The Revenue could hardly dispute that the arguments of the assessee in all these supporting documents were specifically rebutted in the assessment proceedings. The fact however remaining, that 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 jewellery items. Be that as it may, we are of the considered view that the learned AO 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.6.05 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.

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. In the result, the appeal of the assessee is party allowed.

Order pronounced in the open court on 19<sup>th</sup> January, 2026.

**Sd/-**  
**[SATBEER SINGH GODARA]**  
**JUDICIAL MEMBER**

**Sd/-**  
**[AMITABH SHUKLA]**  
**ACCOUNTANT MEMBER**

**Dated:** 21.01.2026

*Shekhar*

Copy forwarded to:

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

Asst. Registrar,  
ITAT, New Delhi,