

**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.6073/DEL/2024
[Assessment Year: 2017-18]**

Income Tax Officer, Ward no.2(2)(1), First Floor, CGO-2, Kamla Nehru Nagar, Ghaziabad, Uttar Pradesh-201002	Vs	M/s New Shakti Abhushan Bhandar, Chopla Mandir, New Gate, Ghaziabad, Uttar Pradesh-201001
		PAN-AAFFN6550K
Appellant		Respondent

Assessee by	Shri Manish Upneja, CA and Shri Baldev Raj, CA
Revenue by	Ms. Ankush Kalra, Sr. DR

Date of Hearing	19.01.2026
Date of Pronouncement	19.01.2026

ORDER

PER AMITABH SHUKLA, AM,

This appeal filed by the Revenue is against order dated 24.10.2024 of National Faceless Appeal Centre/learned Commissioner of Income Tax(Appeals), [hereinafter referred to as 'ld. CIT(A)] arising out of assessment order dated 25.12.2019 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 assessee M/s. New Shakti Abhushan Bhandar is a partnership firm engaged in the business of trading, manufacturing (on job work basis) of gold and other ornaments (Jewelers). The assessee for the year under consideration e-filed its Return of Income on 29.10.2017 declaring income of Rs.27,76,260/-. The return was selected for assessment through CASS. The ld. AO noted that there was a cash deposit of Rs.2,21,36,500/- in its bank account during demonetization period. Unsatisfied with the explanation given by the assessee, the ld. AO proceeded to add an amount of Rs.82,40,000/- under section 69A of the Act. The ld. CIT(A) deleted the impugned addition. The Revenue is contesting the impugned relief accorded by the ld. CIT(A).

3. The ld. Sr. DR, Ankush Kalra, Sr. DR supported the order of the ld. Assessing Officer.

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 running into pages 224 containing copy of written submission filed before ld. CIT(A), extract of his books of account, reconciliation of sales and purchases, financial statements and cash deposits etc. The ld. Counsel placed reliance upon its VAT returns to buttress the point that the cash has direct linkages with the sale of the assessee. 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 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.5 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. In the result, the appeal of the assessee is party allowed.

Order pronounced in the open court on 19th January, 2026.

Sd/-
[SATBEER SINGH GODARA]
JUDICIAL MEMBER

Dated: 21.01.2026

Shekhar

Copy forwarded to:

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

Sd/-
[AMITABH SHUKLA]
ACCOUNTANT MEMBER

Asst. Registrar,
ITAT, New Delhi,