

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

**Before Sh. Satbeer Singh Godara, Judicial Member
&
Sh. Amitabh Shukla, Accountant Member**

ITA No. 5294/Del/2025 : Asstt. Year : 2017-18

M/s Femmella Fashions India Ltd., 11/5B, 1 st Floor, Pusa Road, New Delhi-110005	Vs	Income Tax Officer, Ward-9(1), New Delhi-110002
(APPELLANT)		(RESPONDENT)
PAN No. AABCF1587F		

**Assessee by : Sh. Rohit Jain, Adv.,
Sh. Kunal Pandey, Adv. &
Sh. Shivam, CA
Revenue by : Ms. Ankush Kalra, Sr. DR**

Date of Hearing: 14.01.2026	Date of Pronouncement: 21.01.2026
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ORDER

Per Satbeer Singh Godara, Judicial Member:

This assessee's appeal for Assessment Year 2017-18, arises against the CIT(A)/NFAC, Delhi's DIN & order No. ITBA/NFAC/S/250/2025-26/1078023941(1) dated 30.06.2025, in proceedings u/s 143(3) of the Income Tax Act, 1961 (in short "the Act").

2. Heard both the parties at length. Case file perused.
3. We note during the course of hearing that the assessee's sole substantive grievance raised in the instant appeal is directed against both the learned lower authorities' action treating its cash deposits of Rs.1,24,19,650/- as unexplained

u/s 68 r.w.s. 115BBE of the act; in assessment order dated 28.12.2019 as upheld in the lower appellate discussion.

4. Faced with this situation, both the learned representatives reiterate the assessee's and the Revenue's respective stands against and in support of the impugned addition. The assessee is admittedly stated to be engaged in manufacturing and trading of garments, accessories and fabrics as per the assessment discussion itself. Coupled with this, it had filed the relevant details of month-wise cash sales, cash deposits in F.Y. 2015-16 as well as 2016-17 seeking to plead and prove that the foregoing cash deposits infact represented the business turnover only which has been rejected by both the learned lower authorities.

5. Faced with this situation, we do not see any reason to express our concurrence with either parties stand. This is for the precise reason that the assessee has proved his status as engaged in regular business activity in garments manufacturing, trading etc., it could not get all of it's corresponding cash sales and business turnover reconciled and verified before both the learned lower authorities. The fact also remains that such a failure could not result in rejection of it's entire business turnover as well. We thus deem it appropriate in this factual backdrop that a lump sum addition of

Rs.10,00,000/- only *prima facie* representing GP element of the above cash deposits amounting to Rs.12,59,650/- would be just and proper with a rider that the same shall not be treated as a precedent. We accordingly grant relief of Rs.1,14,19,650/- to the assessee in very terms. Necessary computation shall follow as per law.

6. So far as assessee's assessment under Section 115BBE is concerned, we quote S.M.I.L.E Microfinance Limited Vs. The ACIT CC-1 in W.P.(MD) No.2078 of 2020 & W.M.P. (MD) No. 1742 of 2020 held that the said provision applied for transactions done on or after 01.04.2017 only. The assessee is accordingly directed to be assessed under normal provisions only.

7. This assessee's appeal is partly allowed.

Order Pronounced in the Open Court on 21/01/2026.

Sd/-

(Amitabh Shukla)
Accountant Member

Dated: 21/01/2026

Subodh Kumar, Sr. PS

Copy forwarded to:

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

Sd/-

(Satbeer Singh Godara)
Judicial Member

ASSISTANT REGISTRAR