

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

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

ITA No.5307/Del/2025
Assessment Year: 2017-18

Surajmal Garg Metals Pvt. Ltd., Pranshu Goel, Chartered Accountant, 5A/3A, Ansari Road, Darya Ganj, New Delhi	Vs.	Income Tax Officer, Ward-24(4), Delhi
PAN: AAACS1432R		
(Appellant)		(Respondent)

Assessee by	Sh. Pranshu G., Adv. Sh. Aditya Gupta, Adv.
Department by	Ms. Ankush Kalra, Sr. DR

Date of hearing	15.01.2026
Date of pronouncement	15.01.2026

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/250/2025-26/1079253636(1), dated 04.08.2025 involving proceedings under section 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

Heard both the parties. Case file perused.

2. We notice during the course of hearing at the outset that the assessee/appellant; as a company, raises its sole substantive ground challenging both the learned lower authorities' respective findings treating its cash deposits made during demonetization amounting to Rs.52,49,500/- as unexplained under section 68 r.w.s. 115BBE of the Act in assessment order dated 26.12.2019 as upheld in the lower appellate discussion.

3. We have given out thoughtful consideration to the assessee's and the Revenue's respective vehement submissions against and in support of the impugned addition. The assessee's stand all along has been that it is engaged in metal trading of copper, aluminum, brass-sheets and scraps. It further appears to have obtained VAT registration as well. There is further no quarrel between the parties about its regular business activity of being a wholesaler and retailer in nature. That being the clinching factual position and in light of the fact that it had produced its sales register etc., which could not satisfy both the learned lower authorities, we are of the considered view that the same could not be altogether denied in entirety so as to tax its cash deposits of Rs.52,49,500/- in totality.

We thus deem it appropriate in this factual backdrop that a *lumpsum* addition of Rs.5 lakhs in the assessee's hands would be just and proper with a rider that the same shall not be treated as a precedent. The assessee gets relief of Rs.47,49,500/- in other words. Necessary computation shall follow as per law.

4. 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.

5. This assessee's appeal is partly allowed.

Order pronounced in the open court on 15th January, 2026

Sd/-
(AMITABH SHUKLA)
ACCOUNTANT MEMBER

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 20th January, 2026.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi