

**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. 1187/Del/2025 : Asstt. Year : 2017-18**

KRN Exclusive, A-85, SF Lok Vihar, Pitampura, Saraswati Vihar, Delhi-110034 (APPELLANT)	Vs	CIT(A)/NFAC Income Tax Officer, Ward-43(6), New Delhi-110002 (RESPONDENT)
<b>PAN No. AAOFK6712H</b>		

**Assessee by : None**

**Revenue by : Ms. Ankush Kalra, Sr. DR**

**Date of Hearing: 20.01.2026**

**Date of Pronouncement: 20.01.2026**

**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/250/2024-25/1072033648(1) dated 09.01.2025, in proceedings u/s 147 r.w.s. 144 of the Income Tax Act, 1961 (in short "the Act").

2. Case called twice. None appears at the assessee's behest. It is accordingly proceeded *ex-parte*.

3. It next emerges with the able assistance coming from the Revenue side that the assessee/appellant is aggrieved against both the learned lower authorities' respective assessment and lower appellate findings treating its cash deposits of

Rs.1,37,79,830/- during demonetization as unexplained money u/s 69A r.w.s. 115BBE of the Act.

4. That being the case, the Revenue could hardly dispute that the assessee/firm has already been held is engaged in trading of cotton cloth business throughout the country. This being the clinching position, we are of the considered view that possibility of the assessee's cash sales in such a trading activity could not be altogether ruled out although it has failed to plead and prove the same by way of necessary reconciliation and verification before both the learned lower authorities. Be that as it may, we are of the considered view in this factual backdrop that a lump sum addition of Rs.10,00,000/- only in the assessee's hands representing profit element on the foregoing business sales would be just and proper with a rider that the same shall not be treated as a precedent. We order accordingly. 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 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.

6. This assessee's appeal is partly allowed.

Order Pronounced in the Open Court on 20/01/2026.

Sd/-

**(Amitabh Shukla)**  
**Accountant Member**

**Dated: 18/02/2026**

\*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**