

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

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No.5038/Del/2025
Assessment Year: 2017-18

ESS AAR Corporate Services Pvt. Ltd., H. No. 19, Sector-12, Part-II, Urban Estate, Karnal, Haryana	Vs.	ACIT/DCIT, Central Circle, Karnal
PAN: AABCE0078L		
(Appellant)		(Respondent)

Assessee by	Sh. Ved Jain, Adv. Sh. Uma Upadhyay, CA
Department by	Ms. Amish S. Gupt, CIT(DR)

Date of hearing	29.01.2026
Date of pronouncement	29.01.2026

ORDER

PER SATBEER SINGH GODARA, JM

This assessee's appeal for assessment year 2017-18, arises against the Commissioner of Income Tax (Appeals)-3 [in short, the "CIT(A)"], Gurgaon's order dated 29.07.2025 passed in case no. 10382/2019-20, 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. The assessee/appellant presses for his sole substantive ground on merits only that both the learned lower authorities have erred in law and on facts in treating its cash deposits of Rs.7,70,000/- during demonetization as unexplained under section 68 r.w.s. 115BBE of the Act in assessment order dated 20.12.2019 as upheld in the lower appellate discussion.

3. It is in this factual backdrop that we hereby notice that the assessee is admittedly engaged in providing consultancy services as well as trading in agricultural implements, sale/purchases etc. The necessary inference which would *prima facie* arise in its favour is that the impugned cash deposits represent its cash sales in such an unorganized business activity; although the same could not be verified by pleading and proving all the relevant facts to the entire satisfaction of the learned lower authorities. Be that as it may, we are of the considered view in this factual backdrop that a lumpsum addition of Rs.70,000/- herein would be just and proper with a rider that the same shall not be treated as a precedent. The assessee gets relief of Rs.7 lakhs in other words.

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 29th January, 2026

Sd/-
(MANISH AGARWAL)
ACCOUNTANT MEMBER

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 26th February, 2026.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi