

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

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER**

ITA No.1607/Del/2025
Assessment Year: 2017-18

Mr. Mashood Uddin, Prop. M/s. Alpha International, State Bank Colony, Daulat Bagh, Thana Naghphani, Moradabad	Vs.	Income Tax Officer, Ward-1(1), Moradabad, Uttar Pradesh
PAN: ABDPU3502H		
(Appellant)		(Respondent)

Assessee by	Sh. Aakash Ojha, Adv.
Department by	Sh. Manish Gupta, Sr. DR

Date of hearing	03.11.2025
Date of pronouncement	03.11.2025

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/250/2023-24/1058138911(1), dated 22.11.2023 involving proceedings under section 144 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

Heard both the parties. Case file perused.

2. Delay of 412 days in filing of the assessee's instant appeal is condoned in larger interest of justice and in light of Collector, Land & Acquisition vs. Mst. Katiji & Others (1987) 167 ITR 471 (SC).

3. A perusal of the assessee's instant appeal file indicates at the outset that he is aggrieved against both the learned lower authorities' action treating his cash deposits during demonetization totalling to Rs.78 lakhs as unexplained money under section 69A r.w.s. 115BBE of the Act; in assessment order dated 29.11.2019 as upheld in the lower appellate discussion.

4. Learned counsel vehemently argues in this factual backdrop that both the lower authorities herein have erred in law and on facts in rejecting the assessee's explanation for his impugned cash deposits despite the fact that he had filed all his cogent supportive documentary evidence during assessment. And that, the assessee's books of account treating the impugned cash deposits as part of the business turnover have also not been specifically rejected as well.

5. Faced with this situation, the Revenue could hardly dispute that the assessee has been carrying out his business activity of export and local sales of handcraft items etc. We are of the

considered view that possibility of assessee having cash turnover in such unorganized business activity could not be altogether ruled out as well despite the fact that he has not successfully discharged his onus of pleading and proving the impugned cash deposits as business receipts before the learned lower authorities. We deem it appropriate in these peculiar facts that a *lumpsum* addition of Rs.7 lakhs only would be just and proper with a rider that the same shall not treated as a precedent. The assessee gets relief of Rs.71 lakhs in other words.

6. 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.

7. This assessee's appeal is partly allowed.

Order pronounced in the open court on 3rd November, 2025

**Sd/-
(NAVEEN CHANDRA)
ACCOUNTANT MEMBER**

**Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER**

Dated: 11th November, 2025.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi