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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ ITA 233/2026 & CM APPL. 18043/2026

PRINCIPAL COMMISSIONER OF INCOME TAX, CENTRAL- 1,  
NEW DELHI

.....Appellant

Through: Mr. Puneet Rai, SSC with Mr.Ashvini  
Kr. & Mr.Rishabh Nangia, JSCs.

versus

SILVER CITY

.....Respondent

Through: Mr. Salil Kapoor, Ms.Soumya Singh  
& Ms.Ananya Kapoor, Advs.

**CORAM:**

**HON'BLE MR. JUSTICE DINESH MEHTA**

**HON'BLE MR. JUSTICE VINOD KUMAR**

**ORDER**

**23.03.2026**

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1. Mr. Puneet Rai, learned Senior Standing Counsel for the appellant-Department submitted that in similar appeal being *ITA 48/2024 Pr. Commissioner of Income Tax-1 v. Bawa Jewellers Private Limited*, while admitting the appeal, a question of law has been framed vide order dated 11.07.2024.

2. Learned Senior Standing Counsel further submitted that the Income Tax Appellate Tribunal Delhi Bench 'G' New Delhi (*hereinafter referred to as 'the Tribunal'*) has erred in law so also in holding that the disputed addition made by the Assessing Officer is required to be taxed at the normal rate of 30%, as the amendment brought under Section 68 of the Income Tax Act, 1961 (*hereinafter referred to as 'Act of 1961'*) shall apply from 01.04.2017.



3. Learned Senior Standing Counsel also submitted that Kerala High Court in the case of *Maruthi Babu Rao Jadav v. ACIT* reported in (2025) 171 taxmann.com 463 (Kerela) has taken a view contrary to the view which has been taken by the Tribunal.

4. In view of the submissions so made, we are of the view that the following substantial question of law arises out of the impugned order passed by the Tribunal:-

(i) *Whether on the facts and circumstances of the case and in law, the Income Tax Appellate Tribunal [“Tribunal”] was legally justified in deleting the addition made under Section 68 of the Income Tax Act, 1961 [“Act”] in respect of cash deposit made by the respondent-assessee into its bank account during demonetization period which is disproportionate in comparison to the cash sale made during the same period in the earlier years?*

5. Admit.

6. Issue notice. Mr. Salil Kapoor, learned counsel accepts notice on behalf of the respondent.

7. List this case on 11.05.2026 along with *ITA 52/2026*.

**DINESH MEHTA, J.**

**VINOD KUMAR, J.**

**MARCH 23, 2026/kk**