

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCH: "SMC" NEW DELHI**

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

ITA No.6227/Del/2025
Assessment Year: 2017-18

M/s. Redefined Cardboard Pvt. Ltd., 17/665 GF, Gali No. 2, Punjabi Basti, Anand Parbat, New Delhi	Vs.	Income Tax Officer, Ward-21(2), New Delhi
PAN: AAGCR5223H		
(Appellant)		(Respondent)

Assessee by	Sh. Nikhil Sharma, Adv.
Department by	Sh. Manoj Kumar, Sr. DR

Date of hearing	24.11.2025
Date of pronouncement	24.11.2025

ORDER

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/250/2025-26/1079311339(1), dated 06.08.2025 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. It emerges during the course of hearing that both the learned lower authorities have treated the assessee's cash deposits during

demonetization of Rs.39.91 lakhs as unexplained under section 68 r.w.s. 115BBE of the Act; in assessment order dated 28.12.2019 as upheld in the lower appellate discussion.

3. Both the learned representatives reiterate their respective stands against and in support of the lower authorities impugned findings. It does not appear to be much a dispute in principle about the assessee's regular business activity i.e. manufacturing, trading and sale of cardboards on wholesale and retail basis; as the case may be. This being the clinching factual position, the tribunal hereby observes that possibility of raw material sourcing in cash as well as cash sales, in such a business activity in an unorganized sector could not be altogether ruled out. This is indeed coupled with the facts that the assessee appears to have filed its detailed evidence before both the learned lower authorities explaining as well as reconciling the impugned cash deposits in light of its books of account.

4. Be that as it may, it is thus deemed appropriate in the larger interest of justice that a *lumpsum* addition of Rs.3.91 lakhs only would be just and proper with a rider that the same shall not be

treated as a precedent. The assessee gets relief of Rs.36 lakhs in other words. Necessary computation shall follow as per law.

5. So far as assessee's assessment under section 115BBE is concerned, I 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.

6. This assessee's appeal is partly allowed.

Order pronounced in the open court on 24th November, 2025

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 24th November, 2025.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi