

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, 'SMC', CHANDIGARH

BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER

आयकर अपील सं./ ITA No. 417/Chd/2024

निर्धारण वर्ष / Assessment Year : 2017-18

Pawan International, 1370, Krishna Nagar, Civil Lines, Ludhiana	बनाम	The ITO, Ludhiana
स्थायी लेखा सं./PAN NO: AAJFP6044J		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

(Physical Hearing)

निर्धारिती की ओर से/Assessee by : Shri Ashwani Kumar, CA

राजस्व की ओर से/ Revenue by : Dr. Ranjeet Kaur, Sr.DR

सुनवाई की तारीख/Date of Hearing : 07.11.2024

उदघोषणा की तारीख/Date of Pronouncement : 03.12.2024

आदेश/Order

The present appeal has been preferred by the assessee against the order dated 19.02.2024 passed by the Ld. Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'CIT(A)'] for the Assessment Year 2017-18.

2. The Assessee is aggrieved by the action of the Id. CIT(A) in confirming the addition of Rs. 32 lacs made by the Assessing Officer by treating the cash deposits in the bank account of the Assessee as income of the Assessee from undisclosed sources.

3. During the assessment proceedings, the Assessee explained that the aforesaid amount of Rs. 32 lacs were out of sale proceeds of the Assessee. However, the Assessing Officer did not agree with the aforesaid contention of the Assessee. He observed that the cash sales of the Assessee for the year under consideration were higher than that of earlier assessment year. He, therefore, treated the aforesaid cash deposits as unexplained income of the Assessee. The Id. CIT(A) confirmed the addition so made by the Assessing Officer.

4. I have heard the rival contentions and gone through the record. The Id. Counsel for the Assessee has explained that the Assessee during the year, was a trader of artificial goods and flowers. That during the year, the Assessee decided to stop its business. The Assessee, therefore, sold its opening stock at discounted rates resulting into higher sales during the year under consideration as compared to the earlier years. The Id. Counsel for the Assessee has further submitted that there is no rebuttal to the fact on the file that the Assessee was having opening stock out of which the said sales

were made. That the Sales tax / VAT Return were also filed by the Assessee.

5. The Id. DR could not rebut that the Assessee was having opening stock out of which the sales were stated to have been made.

6. Considering the aforesaid submissions and facts on file, I do not find any justification on the part of the lower authorities in treating the deposits made by the Assessee out of the sales of the opening stock as income from undisclosed sales. The impugned addition made by the Assessing Officer is, therefore, not sustainable. The same is ordered to be deleted.

7. The appeal of the Assessee is allowed.

Order pronounced on 03.12.2024.

Sd/-
(SANJAY GARG)
Judicial Member

“आर.के.”

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त/ CIT
4. विभागीयप्रतिनिधि, आयकरअपीलीयआधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
5. गार्डफाईल/ Guard File

आदेशानुसार/ By order,
सहायकपंजीकार/ Assistant Registrar