

**INCOME TAX APPELLATE TRIBUNAL
DEHRADUN BENCH "SMC": NEW DELHI**

**BEFORE SHRI VIMAL KUMAR, JUDICIAL MEMBER AND
SHRI BRAJESH KUMAR SINGH, ACCOUNTANT MEMBER**

ITA No. 228/DDN/2024
Assessment Year: 2017-18

Anita Arya, C/o Sidhbali Indian Gas Agency, Sidhbali Marg, Kotdwar (Uttarakhand) PAN No. AFYPA9774Q	Vs.	Income Tax Officer, Kotdwar (Uttarakhand)
(Appellant)		(Respondent)

Assessee by:	Shri SK Ahuja, AR & Ms. Sweta Ahuja, CA
Department by:	Shri Amarpal Singh Sr. DR
Date of Hearing:	15.04.2025
Date of pronouncement:	23.04.2025

ORDER

PER VIMAL KUMAR, JUDICIAL MEMBER:

The appeal filed by the appellant/assessee is against order dated 11.12.2024 passed by Learned Commissioner of Income-Tax(Appeals)/National Faceless Appeal Centre(NFAC), Delhi (hereinafter referred as 'Ld. CIT(A)') arising out of assessment order dated 29.12.2019 of the Learned Income Tax Officer, Ward No. 1(4)(3), Kotdwar (hereinafter referred as "Ld. AO") under

Section 143(3) of the Income-Tax Act, 1961 (hereinafter referred as “the Act”) for assessment year 2017-18.

2. Brief facts of the case are that appellant/assessee e-filed return of income for assessment year 2017-18 on 22.12.2017 declaring total income of Rs.13,15,528/-. The case was selected for scrutiny through ‘CASS’ on the basis of reason of opening WDV of fixed asset as per ITR of current year is greater than WDV of fixed assets as per ITR of preceding year and abnormal increase in cash deposit during demonetization period as compared to pre-demonetization period. Notice dated 21.09.2018 under Section 143(2) of the Act was issued electronically. Thereafter, notices issued under Section 142(1) dated 09.03.2019, 02.05.2019, 14.10.2019, 23.10.2019, 02.12.2019 and 28.12.2019 along with questionnaire were issued. In compliance to these notices, Learned Authorised Representative of the assessee Shri Awdesh Kumar Agarwal filed reply without supporting documents in support of its claim except profit and loss account, balance sheet and audit report. Ld. AO on completion of assessment proceedings made addition of Rs.37,07,794/- vide order dated 29.12.2019.

3. Against order dated 29.12.2019, appellant/assessee preferred appeal before the Ld. CIT(A) which was dismissed vide order dated 11.12.2024.

4. Being aggrieved, appellant/assessee preferred present appeal.

5. Learned Authorised Representative for the appellant/assessee submitted that Ld. CIT(A) erred in confirming addition of Rs. 37,07,794/- out of total cash deposit on account of sale of business without observing principles of natural justice. The action of Ld. CIT(A) in confirming addition of Rs. 37,07,794/- amounted double addition as the amounts were recorded in the books of accounts duly audited. Ld. AO accepted declared net profit for the whole year including month-wise computed of November and December. Appellant had recorded total cash sales and its cash deposits in bank account which were verified by the Ld. AO. Ld. AO had not rejected books of accounts and accepted audited results. Ld. AO was not justified in making addition under Section 69 of the Act. The Hon'ble Supreme Court in the case of CIT vs. Devi Prasad Vishwnath Prasad (1969) 72 ITR 194 (SC) held that "it is for the Assessee to prove that even if the cash credit represents income, it is income from a source, which has

already been taxed”. The appellant/assessee has already offered the sales for taxation hence the onus has been discharged by it and the same income cannot be taxed again.

6. Learned Authorised Representative for the Department of Revenue submitted that appellant/assessee had not produced complete documents before the Ld. AO.

7. From examination of record in light of aforesaid rival contentions, it is crystal clear that the appellant/assessee had derived income by running of a gas agency. Appellant/assessee had proved the source of cash as business income by submitting profit and loss account, balance sheet and audit report etc. As per ratio of judgment in case of CIT vs. Devi Prasad Vishwnath Prasad (1969) 72 ITR 194 (SC) (supra), it is well settled principle of law that “it is for the Assessee to prove that even if the cash credit represents income, it is income from a source, which has already been taxed” The appellant/assessee has already offered the sales for taxation hence the onus has been discharged by it and the same income cannot be taxed again.

8. In view of above material facts and well settled principle of law, the addition made by the Ld. AO deserves to be set aside.

Resultantly, impugned order dated 29.12.2019 of Ld. AO dated 11.12.2024 of Ld. CIT(A) are set aside.

9. In the result, the appeal of the appellant/assessee is allowed.

Order pronounced in the open court on 23/04/2025.

Sd/-

**(BRAJESH KUMAR SINGH)
ACCOUNTANT MEMBER**

Sd/-

**(VIMAL KUMAR)
JUDICIAL MEMBER**

Dated: 23/04/2025
Mohan Lal

Copy forwarded to -

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi