

**IN THE INCOME TAX APPELLATE TRIBUNAL
DEHRADUN BENCH, DEHRADUN
BEFORE SH. YOGESH KUMAR U.S., JUDICIAL MEMBER
&
SH. MANISH AGARWAL, ACCOUNTANT MEMBER
ITA No. 30/DDN/2024 :Asstt. Year : 2017-18**

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|--|------------------------|----|---|
| Kedarnath Industries House No. 1, 1 st Floor, Sarrafa Bazar, Dhamawala, Dehradun Uttarakhand PAN: AALFK6129M | | Vs | Income Tax Officer, Ward-1(1)(5) Dehradun, Uttarakhand |
| Appellant | | | Respondent |
| Assessee by | Sh. Shivam Malik, Adv | | |
| Revenue by | Sh. A. S. Rana, Sr. DR | | |
| Date of Hearing | 08/12/2025 | | |
| Date of Pronouncement | 23/01/2026 | | |

ORDER

PER YOGESH KUMAR, U.S. JM:

The present appeal is filed by the Assessee against the order of Ld. Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre, Delhi, ('Ld. CIT(A)/NFAC' for short), dated 13/02/2024 pertaining to Assessment Year 2017-18.

2. Brief facts of the case are that, the Assessee filed return of income, which was selected for scrutiny through CASS. An assessment order came to be passed on 31/12/2019 u/s 143(3) of the Income Tax Act, 1961 ('Act' for short) by making addition of Rs. 3,23,50,000/- u/s 69A of the Act r.w. Section 115BBE and also made addition of Rs. 56,12,871/- by estimating the profit by considering the net profit @ 6.22%. Aggrieved by the assessment order dated 31/12/2019, Assessee preferred an Appeal before the Ld. CIT(A). The

Ld. CIT(A) vide order dated 13/02/2024, dismissed the Appeal filed by the Assessee. Aggrieved by the order of the Ld. CIT(A) dated 13/02/2024, Assessee preferred the present Appeal.

3. The grievance of the Assessee in the present Appeal is against making/upholding the addition of Rs. 3,23,50,000/- on account of unexplained cash deposit u/s 69A of the Act and estimated profit of current year of Rs. 56,12,871/- by considering the net profit of the appellant @6.22% of turnover by considering the historical NP data of the Assessee.

4. The Ld. Counsel for the Assessee vehemently submitted that the reasons for rejecting the books of account that the Assessee has not maintained the proper stock register, sales were not genuine and also for not maintaining the salary register, however, the Ld. CIT(A) failed to appreciate the fact that the Assessee has indeed maintaining proper stock registers and also salary register and the A.O. without giving proper opportunity to the Assessee to produce the salary register, held that the Assessee is not maintaining the proper salary register and rejected the books of accounts which resulted in making the impugned addition. Thus, submitted that the A.O. committed error in making the additions which have been erroneously upheld by the Ld. CIT(A).

5. Per contra, the Ld. Departmental Representative submitted that the reasons for rejecting the books of accounts of the Assessee were valid and A.O. after going through the material available on record, rightly rejected the books of accounts and thereafter made the additions, which have been sustained by the Ld. CIT(A), therefore, the order impugned required no interference at the hands of the Tribunal. Further, the Ld. Department's Representative relying on the findings and the conclusion of the orders of the Lower Authorities, sought for dismissal of the appeal of the Assessee.

6. We have heard both the parties and perused the material available on record. It is the specific case of the Assessee that the A.O. committed error in rejecting the books of account, wherein Assessee has filed all the documentary evidence including cash books purchases and sale register, stock register etc. and the turnover has been duly disclosed in the VAT return which has also been accepted by the concerned Departments. Further contended that there is no prescribed format to maintain the stock register and the A.O. recorded incorrect facts and without providing proper opportunity to the Assessee to provide the salary register, rejected the books of accounts. Further, it is contended that on behalf of the Assessee that the Ld. CIT(A) has altered the provision which is contrary to the settled position of law.

7. Considering the fact that the authorities have not considered the documents provided by the Assessee and without giving opportunity to produce the salary register and other documents, the books of the Assessee has been claimed to have been rejected, we are of the opinion that if the issue is restored to the A.O. for de-novo adjudication substantial justice would be rendered. In so far as, the contention of altering/mentioning the wrong provision while making the addition is concerned, we are of the opinion that non-mentioning of the provision or mentioning wrong provision will not be fatal to the addition made by the A.O. In view of the above, the matter is remitted to the file of the A.O. with a liberty to the Assessee to produce all the documents and A.O. shall consider the documents produced by the Assessee and shall frame the fresh assessment in accordance with law. Needless to say, the Assessee shall be provided with opportunity of being heard.

8. In the result, appeal of the Assessee is partly allowed for statistical purposes.

Order pronounced in the open court on 23rd January, 2025.

Sd/-

Sd/-

(MANISH AGARWAL)
ACCOUNTANT MEMBER

Date:- 23 .01.2026
R.N, Sr.P.S*

(YOGESH KUMAR U.S.)
JUDICIAL MEMBER

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI