

**IN THE INCOME TAX APPELLATE TRIBUNAL
DEHRADUN “SMC” BENCH: DEHRADUN**

**BEFORE SHRI YOGESH KUMAR U.S., JUDICIAL MEMBER &
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No. 39/DDN/2026
[Assessment Year : 2019-20]**

Swati Sharma H.No.-262, Sunderwala, Raipur, Dehradun Uttarakhand -248001 PAN-DKNPS2561C	vs	DCIT Central Circle, Dehradun Uttarakhand
APPELLANT		RESPONDENT
Appellant by	Shri Rajiv Sahni, CA	
Respondent by	Ms. Poonam Sharma, CIT DR	
Date of Hearing	11.03.2026	
Date of Pronouncement	08.04.2026	

ORDER

PER BENCH:

The present appeal is filed by assessee against the order dated 28.11.2025 passed by Ld. Commissioner of Income Tax (A)-3, Noida [“Ld. CIT(A)”] u/s 250 of the Income Tax Act, 1961 [“the Act”] arising out of assessment order dated 22.03.2024 passed u/s 147 of the Act pertaining to Assessment Year 2019-20.

2. Brief facts of the case are that based on the documents found during the course of search carried out in the case of Shri Krishna Sharma and Smt. Sheetal Sharma on 02.02.2022, case of the assessee was re-opened u/s 147 of the Act, since as per seized documents titled as page 6 & 7 of Annexure A-2, it is found that assessee has purchased a property for a total consideration of INR 47.00 lacs and payments of INR 32.00 lacs was made through cheque

and INR 15.00 lacs was paid in cash. Accordingly, AO passed the reassessment order dated 06.03.2024 u/s 147 by making addition of INR 15.00 lacs being cash payment as undisclosed investment u/s 69B r.w.s. 115BB of the Act and the total income was assessed at INR 20,88,840/-.

3. Against the said order, assessee filed appeal before Ld. CIT(A) who vide impugned order dated 28.11.2025, dismissed the appeal of the assessee.

4. Aggrieved by the order of Ld. CIT(A), the assessee is in appeal before the Tribunal.

5. Before us, assessee has taken as many as 10 grounds of appeal however, the only effective Ground of appeal is No. 5 wherein the assessee has challenged the action of ld. CIT(A) in confirming the addition of INR 15 Lakhs.

6. Heard the contentions of both the parties at length and perused the material available on record. It is observed that the addition is made based on the entry found noted in the loose paper No. 7 & 8, Annexure A-2 found and seized from the possession of Shri Krishna Sharma and Smt. Sheetal Sharma. As per the documents, assessee has purchased a property for INR 47.00 Lacs and paid INR 32.00 lacs through banking channel. In the said paper, a sum of INR 15.00 lacs is written in the last Column. However, nowhere in the assessment order, it is observed by AO that this amount of INR 15.00 lacs was paid by the assessee as cash nor any statement of any persons

confirming that these facts were brought on record/ recorded by making independent enquiries/investigation by the AO.

7. The Co-ordinate Bench of the Tribunal in the case of **Shri Gaurav Gupta** in **ITA No.31/DDN/2025** has deleted the additions made by placing reliance on the same documents by making following observations:-

5. *“The Ld. Counsel for the Assessee addressing on Ground No. 3 and Ground No. 5 submitted that the authorities below committed error in making/ sustaining the addition amounting to Rs. 19,00,000/- u/s 69B of the Act relying on the loose sheet of paper which is nothing but ‘dumb document’. Further submitted that there is no mentioning of ‘cash’ payment and the alleged incriminating material being a ‘dumb document’ which was not corroborated with any of the statement or evidence. Further submitted that though the loose paper was not found from the possession of the Assessee, the Revenue has not provided opportunity for cross-examination. Therefore, submitted that the addition made by the A.O. which has been upheld by the Ld. CIT(A) is liable to be deleted.”*

8. It is further observed that addition on identical facts on the basis of entry in the same document was also made in the case of **Bhagwani Devi vs DCIT** where the Co-ordinate Bench of Dehradun Tribunal in **ITA No.31/DDN/2025** vide order dated 22.08.2025 has deleted the addition by making following observations in para 8 to 10 of the order:

8. *“From the plain reading of the above seized document it was found that there is no mentioning of the word ‘cash’. Admittedly the documents, have been seized from the third party, however, the Assessee has not been provided with opportunity of cross examination. The Assessee has specifically raised a Ground before the Ld. CIT(A) regarding violation of principals of natural justice on the ground that the Assessee has not been given opportunity of cross examination of the said Krishna Sharma. However, the Ld. CIT(A) held that the opportunity of cross examination is not a compulsory requirement before deciding the matter.*
9. *The Hon'ble Supreme Court in the case of Andaman Timber Industries Vs. Commissioner of Central Excise(2015) 62 Taxmann.com (S.C) held as under:-*

“not allowing the assessee to cross-examine the witnesses by the Adjudicating Authority though the statements of those witnesses were made the basis of the impugned order is a serious flaw which makes the order nullity inasmuch as it amounted to violation of principles of natural justice because of which the assessee was adversely affected. It is to be borne in mind that the order of the Commissioner was based upon the statements given by the aforesaid two witnesses. Even when the assessee disputed the correctness of the statements and wanted to cross-examine, the Adjudicating Authority did not grant this opportunity to the assessee. It would be pertinent to note that in the impugned order passed by the Adjudicating Authority he has specifically mentioned that such an opportunity was sought by the assessee. However, no such opportunity was granted and the aforesaid plea is not even dealt with by the Adjudicating Authority. As far as the Tribunal is concerned, we find that rejection of this plea is totally untenable. The Tribunal has simply stated that cross examination of the said dealers could not have brought out any material which would not be in possession of the appellant themselves to explain as to why their ex-factory prices remain static. It was not for the Tribunal to have guess work as to for what purposes the appellant wanted to cross-examine those dealers and what extraction the appellant wanted from them. As mentioned above, the appellant had contested the truthfulness of the statements of these two witnesses and wanted to discredit their testimony for which purpose it wanted to avail the opportunity of cross-examination. That apart, the Adjudicating Authority simply relied upon the price list as maintained at the depot to determine the price for the purpose of levy of excise duty. Whether the goods were, in fact, sold to the said dealers/witnesses at the price which is mentioned in the price list itself could be the subject matter of cross-examination. Therefore, it was not for the Adjudicating Authority to presuppose as to what could be the subject matter of the cross-examination and make the remarks as mentioned above.”

10. *As observed earlier, the seized document has no mention of the payment of cash and there is no corroborative statement recorded from the seized person i.e. Krishna Sharma. The assessment order came to be passed without providing opportunity of cross examination of the said Krishna Sharma, which is contrary to the ratio laid down by the Hon'ble Supreme Court in the case of Andaman Timber Industries (supra). Thus, the Ld. CIT(A) has committed error in upholding the impugned addition. In view of the above, we find no reason to uphold the addition sustained by the Ld. CIT(A), finding merits in the Ground No. 3 & 5 of the Assessee, we allow the same.”*

9. As the facts are identical therefore, by respectfully following the aforesaid judgments of Co-ordinate Bench of Dehradun Tribunal where addition was made by placing reliance on the entries found noted on the same document which is also the sole basis for making the addition in the hands of the assessee, the addition made in the case of assessee is hereby, deleted. The ground of appeal No. 5 taken by the assessee is allowed.

10. Since we have allowed the appeal of the assessee by allowing ground of appeal No. 5 of the assessee, the remaining grounds of appeal become academic.

11. In the result, the appeal of the assessee is allowed.

Order pronounced in the open Court on 08.04.2026.

Sd/-

**(YOGESH KUMAR U.S.)
JUDICIAL MEMBER**

Sd/-

**(MANISH AGARWAL)
ACCOUNTANT MEMBER**

Date- 08.04.2026

Amit Kumar, Sr. P.S

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT
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ASSISTANT REGISTRAR
ITAT, NEW DELHI
(Dehradun Circuit Bench, Dehradun)