

IN THE INCOME TAX APPELLATE TRIBUNAL, RANCHI BENCH, RANCHI

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER AND
SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER

IT(SS)A No. 19/Ran/2021
(Assessment Year-2010-11)

A.C.I.T., Central Circle, Dhanbad.	Vs.	M/s Jagat Jagdamba Flour Pvt. Ltd., Hatsar Ganj, Hajipur, Vaishali. PAN No. AABCJ 9866 F
Appellant/ Revenue		Respondent/ Assessee

ITA No. 42/Ran/2021
(Assessment Year-2015-16)

A.C.I.T., Central Circle, Dhanbad.	Vs.	M/s Jagat Jagdamba Flour Pvt. Ltd., Hatsar Ganj, Hajipur, Vaishali. PAN No. AABCJ 9866 F
Appellant/ Revenue		Respondent/ Assessee

Assessee represented by	Sri Devesh Poddar, A.R.
Department represented by	Smt. Rinku Singh, CIT-DR
Date of hearing	10/06/2025
Date of pronouncement	10/06/2025

ORDER

PER: BENCH

1. These are the appeals filed by the revenue against the orders of the Id. CIT(A), Patna-3, Patna both dated 19/03/2021 for the A.Y. 2010-11 and 2015-16 respectively.
2. Smt. Rinku Singh, Id. CIT-DR is represented on behalf of the revenue and Sri Devesh Poddar, Id A.R. is represented on behalf of the assessee. It was submitted by the Id. CIT-Departmental Representative that there was a search on the business premises of the assessee on 03/09/2014. As a consequence to

the search, assessment came to be completed under Section 153A read with section 143(3) of the Act. Various additions have been made in respect of share application money received by the assessee. It was a submission that on appeal, the Id. CIT(A) had deleted the addition by applying the decision of Hon'ble Delhi High Court in the case of Kabul Chawla. It was a submission that as this is a case of share capital introduced which has bogus, the order of the Id. CIT(A) is liable to be reversed and that of the Assessing Officer reversed,

3. In reply, the Id. AR has submitted that in the course of assessment nor in the assessment proceedings, any seized material relating to the share capital or share premium has been found nor referred to. It was a submission that now in view of the decision of the Hon'ble Supreme Court in the case of Abhisar Buildwell reported in 459 ITR 212 (SC) as no seized material has or incriminating material relevant to the addition has been found or used in the course of assessment, the order of the Id. CIT(A) is liable to be upheld.
4. We have considered the rival submissions. A perusal of the assessment order clearly shows that the issue of share capital is being discussed in para 5 of the assessment order. The Assessing Officer has not referred to any incriminating material found in the course of search that relates to such issue of share capital and share premium. In fact, the Assessing Officer refers to a questionnaire issued alongwith notice issued under Section 142(1) of the Act dated 22/11/2016. Thus, clearly, there is no connection between any of the seized material found in the course of search to the additions which has been made in the assessment order. This being so, in view of the principles laid down by the Hon'ble Supreme Court in the case of Abhisar Buildwell (supra), the addition as

made by the Assessing Officer and the assessment order per se itself is rightly quashed by the Id. CIT(A). This being so, we find no reason to interfere in the order of Id. CIT(A) and the same stands upheld.

5. In the result, appeal of the revenue being IT(SS)A No. 19/Ran/2021 for the A.Y. 2010-11 stands dismissed.
6. In regard to ITA No. 42/Ran/2021, it was a submission of the Id. CIT-Departmental Representative that this related to A.Y. 2015-16 wherein there was certain stock which was found to have been unexplained and also certain cash and other details. The Assessing Officer had made the addition in respect of the said stock and the cash found. It was a submission that the Id. CIT(A) deleted the addition on the basis of reconciliation statement filed by the assessee. It was a submission that the said reconciliation statement specially in regard to the stock was not made available to the Assessing Officer for his rebuttal. It was the prayer that the order of Id. CIT(A) be reversed and that of the Assessing officer restored.
7. In reply, the Id. AR submitted that the reconciliation had been filed before the Assessing Officer and the Assessing Officer had not considered the same and a perusal of the order of the Id. CIT(A) clearly shows that the Id. CIT(A) has extracted the submissions of the assessee that has been filed before the Assessing Officer. It was a submission that the order of the Id. CIT(A) is liable to be upheld.
8. We have considered the rival submissions. A perusal of the order of Id. CIT(A) shows that the Id. CIT(A) has deleted the addition in respect of stock and the cash on the basis of the reconciliation filed by the assessee as also the cash

book. These statements were before the Assessing Officer as is evidenced by the letters extracted by the Id. CIT(A) in his order. However, considering the prayer of the Id. CIT-DR and as the Id. CIT-DR specifically mentioned that in the course of search, the assessee had admitted that there were some stock which were not disclosed in its books so as to verify the reconciliation, the issue of the stock is restored to the file of Assessing Officer for readjudication and for verification of the reconciliation. The Id. AR has also accepted to produce the evidences to prove the reconciliation before the Assessing Officer in respect of the stock. In the circumstances, in respect of ITA No. 42/Ran/2021 for the A.Y. 2015-16, the deletion of the cash as found in the course of search by the Id. CIT(A) stands upheld and only in respect of stock reconciliation, the issue is restored to the file of Assessing Officer for readjudication after granting the assessee adequate opportunity of being heard. In the result, the appeal of the revenue in ITA No. 42/Ran/2021 stands partly allowed for statistical purposes as directed above.

9. In the result, the appeals of the revenue being IT(SS)A No. 19/Ran/2021 for the A.Y. 2010-11 is dismissed and the appeal of revenue being ITA No. 42/Ran/2021 for the A.Y. 2015-16 is partly allowed for statistical purposes.

Order announced in open court on 10th June, 2025.

Sd/-
(RATNESH NANDAN SAHAY)
ACCOUNTANT MEMBER

Sd/-
(GEORGE MATHAN)
JUDICIAL MEMBER

Ranchi, Dated: 10/06/2025

**Ranjan*

Copy to:

1. Assessee
2. Revenue

3. CIT
4. DR
5. Guard File

By order

Sr. Private Secretary, ITAT, Ranchi