

IN THE INCOME TAX APPELLATE TRIBUNAL BENCH, RANCHI
VIRTUAL HEARING AT KOLKATA

**Before Shri Sonjoy Sarma, Judicial Member
and Shri Ratnesh Nandan Sahay, Accountant Member**

I.T.A. No.266/Ran/2023

Assessment Year: 2018-19

Rajendra Shangari, Jamshedpur.....Appellant
Plot 9, Bhuiyadih, Agrico,
Jamshedpur – 831009.
[PAN: ALCPS6310F]

vs.

DCIT, Circle-1, Jamshedpur.....Respondent

Appearances by:

Shri Akshay Ringasia, AR, appeared on behalf of the appellant.

Shri Vinod Agarwal, CIT-DR, appeared on behalf of the Respondent.

Date of concluding the hearing : July 09, 2025

Date of pronouncing the order : July 15, 2025

ORDER

Per Sonjoy Sarma, Judicial Member:

The present appeal has been preferred by the assessee against an order dated 16.11.2023 of the National Faceless Appeal Centre [hereinafter referred to as 'CIT(A)'] passed u/s 250 of the Income Tax Act (hereinafter referred to as the 'Act').

2. Brief facts of the case are that the assessee is an individual who is engaged in contractual jobs to Tata Steel and state government wherein the final job is subject to strict scrutiny by officials and government inspectors and filed return of income declaring an income of Rs.2,58,20,920/- for the assessment year 2018-19. Subsequently, in the case of the assessee, the Assessing Officer invoked section 148 proceedings and completed the assessment u/s 147 r.w.s. 144B of the Act by adding an amount of Rs.38,46,188/- to the income of the assessee stating that the alleged sum was bogus purchase.

3. Dissatisfied with the above order, the assessee preferred an appeal before the Id. CIT(A) against the reassessment order, where the Id. CIT(A)

dismissed the appeal of the assessee and upheld the reassessment order passed by the Assessing Officer.

4. Aggrieved by the said order, the assessee filed the present appeal before this Tribunal raising various grounds. However, the assessee's primary contention is that the Id. CIT(A) erred in by upholding the order of the Assessing Officer when the books of account of the assessee was not rejected and without rejecting the purchase from the corresponding revenue declared by the assessee which is bad in law. The Id. AR stated that the books of account filed by the assessee were duly audited and not rejected during the assessment proceedings and the Assessing Officer accepted the income declared and sales figures reported by the assessee but solely disputed purchase figures to make the addition, which is not correct. He further argued that when the books of account are not rejected and revenue declared by the assessee is accepted, it is not permissible to treat the purchase as bogus without any cogent material. He also stated that the Assessing Officer cannot adopt selective approach accepting the sales on one hand and rejecting the corresponding purchase on the other, as such the approach violates the principles of natural justice.

5. On the other hand, the Id. DR could not controvert the factual submission made by the Id. AR and merely supported the decisions rendered by the authorities below.

6. We, after hearing of both the parties and perusing the materials available on record, find that the Assessing Officer has made the addition merely on the ground that the purchase amounting to Rs.38,46,188/- was bogus while at the same time not rejecting the books of account or disputing sales or income declared by the assessee when the revenue declared by the assessee is accepted by the Assessing Officer and the corresponding purchases also have to be accepted. Therefore, the action

of the Assessing Officer in rejecting the purchase while accepting the sales is not legally sustainable. We, therefore, find merit in the submissions made by the assessee and view that the addition made by the Assessing Officer is not correct and accordingly we delete the addition made by the Assessing Officer.

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

Kolkata, the 15th July, 2025.

Sd/-
[Ratnesh Nandan Sahay]
Accountant Member

Sd/-
[Sonjoy Sarma]
Judicial Member

Dated: 15.07.2025.

RS

Copy of the order forwarded to:

1. Appellant
2. Respondent
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches