

IN THE INCOME TAX APPELLATE TRIBUNAL
JAIPUR BENCH "A", JAIPUR
BEFORE SHRI GAGAN GOYAL, ACCOUNTANT MEMBER AND
SHRI NARINDER KUMAR, JUDICIAL MEMBER
ITA No. 727(A.Y. 2018-19)/JPR/2025

Anil Hastkala Private Limited,
87, Vikash Path,
Alwar 301001.
PAN No. AADCA7019D

..... Appellant

Vs.

PCIT (Central),
Jaipur

.....Respondent

Appellant by : Mr. P. C. Parwal, CA. Ld. AR
Respondent by : Mr. Rajesh Ojha, CIT, Ld. DR
Date of hearing : 30/07/2025
Date of pronouncement : 12/08/2025

ORDER

PER GAGAN GOYAL, A.M:

This appeal by assessee is directed against the order of PCIT (Central), Jaipur dated 26.03.2025 passed u/s. 263 of the Income Tax Act, 1961 (in short 'the Act'). The assessee has raised the following grounds of appeal: -

- 1. Under the facts and circumstances of the case, order passed by the Ld. PCIT u/s. 263 is illegal & bad in law and the same be quashed.*
- 2. The Ld. PCIT has erred on facts and in law in holding the order of AO erroneous & prejudicial to the interest of revenue by not appreciating that AO assessed the income of assessee by applying profit rate on the unrecorded sale and therefore such*

unrecorded sale cannot be added u/s. 69A of the Act to be taxed u/s. 115BBE of the Act.

3. The appellant craves to alter, amend and modify any ground of appeal.

4. Necessary cost be awarded to the assessee.

2. The brief facts of the case are that the assessee company filed its original return of income on 30.09.2018 declaring total income at Rs. NIL (Loss at Rs. 10,22,614/-). In the case of the assessee, there was a survey carried out u/s. 133A of the Act on 10.01.2020 at the business premises of the assessee. During the survey, various documents pertaining to the A.Y. 2018-19 were impounded as mentioned in para 2 of the assessment order passed u/s. 147 of the Act vide order dated: 28.10.2022. As per seized documents, vide Annexure A-1 to A-15 transactions with various parties amounting to Rs. 10,23,060/- were not recorded in the books of accounts. The assessee further admitted that the transactions to the tune of Rs. 63,799/- were also entered into by it without declaring the same in the books of accounts. Ultimately, the figure became 10,86,962/- (Rs. 10,23,060/- + Rs. 63,799/-).

3. In response to the notice issued u/s. 148 of the Act, the assessee filed its return by applying G.P. Rate of 24.90% on unaccounted sale of Rs. 10,98,150/- amounting to Rs. 2,73,440/-, i.e. after set-off of loss claimed earlier amounting to Rs. (-)10,22,614/- and ultimately results of income were still in loss at Rs. (-) 8,21,814/-. The AO accepted the return filed by the assessee, and assessment was completed. Thereafter, a notice u/s. 263 of the Act was issued by the office of the Ld. PCIT(Central), Jaipur issued vide Notice DIN No. ITBA/REV/F/REV1/2024-25/1074782749(1), Dated: 20.03.2025. Vide this notice, the Ld. PCIT proposed to add back the whole amount of Rs. 10,86,962/- u/s. 69A of the Act and to be charged under the special provisions of section 115BBE of the Act @60%, instead

of normal rate applicable. Vide para 11 of the assessment order, the Ld. PCIT, directed the AO to re-verify the matter and earlier order passed was set-aside to that extent. The assessee being aggrieved with this order of the Ld. PCIT passed u/s. 263 of the Act approached this tribunal. We have gone through the order of the AO, order of the Ld. PCIT passed u/s. 263 of the Act and submissions of the assessee alongwith grounds of appeal taken before us.

4. It is observed that at para 6.3 of the order it is mentioned that amount of Rs. 92,000/-, Rs. 1,14,091/- and Rs. 1,25,618/- totaling Rs. 3,31,709/- out of the amount of Rs. 10,86,962/- is considered explained in the order u/s. 148A(d) of the Act and the balance amount of Rs. 7,66,441/- (Rs. 10,98,150/- - Rs. 3,31,709/-) only should be considered for the purposes of further taxation. But still, the assessee offered the whole amount of Rs. 10,98,150/- for the purposes of taxation by applying GP @ 24.90%. The AO further observed vide para 7.1 of the assessment order that *"the assessee has declared unrecorded sales of Rs. 10,98,150/- and offered an amount of Rs. 2,73,440/- by applying GP @ 24.90, hence no adverse view had been taken on such unrecorded sales."*

5. In view of the above facts, when the assessee already discussed and explained the nature of the transactions and the same were duly reflected in the return filed in compliance to the section 148 of the Act and above all, the explanations of the assessee were duly discussed and accepted by the AO in his order, we do not find any error in the order of the AO. Rather, it is a matter of merely change of opinion, which is strictly not permissible in the law. In the order of the Ld. PCIT we don't find any substance which establishes that the order passed by the AO was erroneous and prejudicial to the interest of the revenue.

Hence the same is set-aside and the original order passed by the AO u/s. 147 of the Act is sustained.

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

Order is pronounced in the open court on the 12th day of August 2025.

Sd/-

(NARINDER KUMAR)

JUDICIAL MEMBER

Jaipur, दिनांक/Dated:12/08/2025

Sd/-

(GAGAN GOYAL)

ACCOUNTANT MEMBER

Copy of the Order forwarded to:

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. आयकर आयुक्त CIT
4. विभागीय प्रतिनिधि, आय.अपी.अधि., Sr.DR., ITAT,
5. गार्ड फाइल/Guard file.

BY ORDER,

//True Copy//

(Asstt.Registrar)
ITAT, Jaipur

	Details	Date	Initials	Designation
1	Draft dictated on PC on	12.08.2025		Sr.PS/PS
2	Draft Placed before author	12.08.2025		Sr.PS/PS
3	Draft proposed & placed before the Second Member			JM/AM
4	Draft discussed/approved by Second Member			JM/AM
5.	Approved Draft comes to the Sr.PS/PS			Sr.PS/PS
6.	Kept for pronouncement on			Sr.PS/PS
7.	File sent to the Bench Clerk			Sr.PS/PS
8	Date on which the file goes to the Head clerk			
9	Date of Dispatch of order			