



IN THE INCOME TAX APPELLATE TRIBUNAL, RANCHI BENCH, RANCHI

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

ITA No. 318/Ran/2024
(Assessment Year: 2017-18)

Kirit Kumar Thakkar, Main Road, Kamdhenu Agencies, Makhija Tower, Ranchi-834001 (Jharkhand) PAN No. AAXPT 3822 C	Vs.	I.T.O., Ward 1(5), Ranchi.
Appellant/ Assessee		Respondent/ Revenue

Assessee represented by	Shri R.K. Mittal, AR.
Department represented by	Shri Khubchand T. Pandya, Sr.DR
Date of hearing	21/08/2025
Date of pronouncement	21/08/2025

ORDER

PER: BENCH

1. This is an appeal filed by the assessee against the order of the Id. CIT(A), NFAC, Delhi in Appeal No. CIT(A), Ranchi/10772/2019-20 dated 28/06/2024 for the A.Y. 2017-18.
2. Shri Rajiv Mittal, Id. A.R. is represented on behalf of the assessee and Shri Khubchand T. Pandya, Id. Sr. DR is represented on behalf of the revenue.
3. It was submitted by the Id. AR that the assessee had before the Assessing Officer provided the details in the regard to the difference between the actual purchases at ₹ 10,17,88,434/- and that as recorded in the books at ₹ 9,84,96,442/- to be on account of input VAT to an extent of ₹ 26,61,368/- and the credit notes and other schemes received by the assessee to an extent of ₹ 6,22,624/-. The Assessing Officer did not accept the same and

made an addition of ₹ 32,91,992/-. It was a submission that on appeal, the Id. CIT(A) accepted the VAT reconciliation to an extent of ₹ 26,61,368/- but did not allow the assessee's claim in regard to the credit notes and schemes to an extent of ₹ 6,22,624/- received by the assessee. It was a submission that both the authorities failed to appreciate that the purchases were shown less by ₹ 6,22,624/- and this was on account of the schemes and the credit notes received and this in fact only went to increase the profitability of the assessee. It was a submission that the credit notes received were liable to be allowed and the addition deleted. The Id. Authorised Representative has filed a reconciliation which reads as follows:

<i>Purchase as per Purchase Register</i>	<i>10,17,80,434</i>
<i>Less Inpt Vat included above</i>	<i>26,61,368</i>
	<i>9,91,19,066</i>
<i>Less Schemes and Credit Notes received</i>	<i>6,22,624</i>
	<i>9,84,96,443</i>
<i>Purchase as per Audit Report</i>	<i>9,84,96,443</i>

It was a submission that the addition as confirmed by the Id. CIT(A) is liable to be deleted.

4. In reply, the Id. Sr.DR vehemently supported the order of the Id. CIT(A)
5. We have considered the rival submissions. A perusal of the facts in the present case clearly shows that this reconciliation was available before the Assessing Officer and before the Id. CIT(A). The amount of ₹ 6,22,624/- which has been confirmed by the Id. CIT(A) is nothing but the benefits received by the assessee in respect of purchase price on account of the various schemes such as in time payment etc. and the credit notes. This

being so, we are of the view that the addition as confirmed by the Id. CIT(A) to the extent of ₹ 6,22,624/- is unsustainable and the same stands deleted.

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

Order announced in open court on 21st August, 2025.

Sd/-
(RATNESH NANDAN SAHAY)
ACCOUNTANT MEMBER

Sd/-
(GEORGE MATHAN)
JUDICIAL MEMBER

Ranchi, Dated: 21/08/2025

**Ranjan*

Copy to:

1. Assessee
2. Revenue
3. CIT
4. DR
5. Guard File

निष्पक्ष सुलभ

सत्वर न्याय By order

Sr. Private Secretary, ITAT, Ranchi

IMPARTIAL, EASY AND
SPEEDY JUSTICE