

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, 'B' CHANDIGARH

**BEFORE SHRI RAJPAL YADAV, VICE PRESIDENT AND
SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER**

आयकर अपील सं./ ITA No. 1106/CHD/2025
निर्धारण वर्ष / Assessment Year: 2021-22

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| S.N. Bajaj Alloys, H.B. No. 210, 174/187, Village-Ismailpur, Tehsil-Khanna, Ludhiana. | Vs | The Assessing Officer, Khanna. |
| स्थायी लेखा सं./PAN NO: ADIFS5415L | | |
| अपीलार्थी/Appellant | | प्रत्यर्थी/Respondent |

Assessee by : Shri Rajat Nayyar, CA
Revenue by : Dr. Ranjit Kaur, Adl. CIT Sr.DR

Date of Hearing : 11.02.2026
Date of Pronouncement : 17.02.2026

PHYSICAL HEARING

ORDER

PER RAJPAL YADAV, VP

The present appeal is directed at the instance of the assessee against the order of the Id. Commissioner of Income Tax (Appeals) [in short 'the CIT (A)'] dated 25.06.2024 passed for assessment year 2021-22.

2. In solitary ground of appeal, assessee has pleaded that Id.CIT (Appeals) has erred in confirming the action of the AO

vide which AO has disallowed purchase cost to the extent of 5% of the total purchases. The conclusion of the AO in this regard read as under :

“.....I) The assessee is in the business of Manufacturing of Ingots and Trading of Iron and Steel , Round, Angle, Wire, Forging and loose machinery parts and trading of old dismantled Machinery. On verification of the P & L the assessee's major sales are in Mfg and Trading items, hence the book result of the assessee is hereby rejected u/s 145(3) of the Act and variation is made on an estimate basis on excess purchases of Rs 14,31,51,350/- at 5% of excess purchases which is worked out to Rs. 71,57,567/- and added to the total income.

3. Dissatisfied with the assessment order, assessee carried the matter in appeal before ld.CIT (Appeals) but the Authorized Representative did not prosecute the appeal by making proper submissions, hence, the appeal of the assessee has been decided ex-parte.

4. Before us, assessee has filed Paper Books containing voluminous pages, running into three Volumes. These papers have been filed in order to demonstrate that there are no defects in its books of account and assessee has shown purchases of Rs.44.06 Cr and achieved the sales at Rs.44.26 Cr. Since specific details were not submitted before the AO, therefore, AO on adhoc basis, disallowed purchase cost by 5% of the alleged excess purchases. In other words, AO was of the view that gross bill value including GST was

Rs.54,48,46,722/- whereas payments made by the assessee to the suppliers through banking channel was of Rs.40,16,95,372/-. The AO has worked out a difference in purchases at Rs.14,31,51,350/-. He disallowed 5% of this amount and worked out an addition of Rs.71,57,567/-. In order to buttress its claim, assessee has filed Paper Books but we find that these documents were not filed before the Id.CIT (Appeals). The Id.CIT (Appeals) has not the benefit to go through the details as sought to be produced before us. Therefore, with the assistance of Id. Representative, we have gone through the record carefully and deem it appropriate that in the interest of justice, one more opportunity deserves to be given to the assessee for buttressing its claim before the Id.First Appellate Authority.

5. Since there are large number of papers sought to be filed before us, in triplicate Paper Books, assessee would prepare these Paper Books again for filing before the Id.CIT (Appeals). These papers are not of any use for the ITAT and unnecessarily occupy the space in the Store Room. Therefore, we deem it appropriate to return all these volumes of Paper Books to the

assessee in original. We direct the Registry accordingly. The Paper Books be returned to the assessee. The ld. Sr.DR has also handed over the Paper Books to the ld. counsel for the assessee in the Court Room.

6. In view of the above discussion, we set aside the impugned order of ld.CIT (Appeals) and restore all the issues to the file of ld.CIT (Appeals). The assessee will be at liberty to file fresh evidence before ld.CIT (Appeals) in support of its explanation. Thus, the appeal of the assessee is allowed for statistical purposes.

Order pronounced on 17.02.2026.

Sd/-

(MANOJ KUMAR AGGARWAL)
ACCOUNTANT MEMBER

Sd/-

(RAJPAL YADAV)
VICE PRESIDENT

“Poonam”

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
5. गार्ड फाईल/ Guard File