

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“DB” BENCH, AMRITSAR**

**VIRTUAL HEARING**

**BEFORE HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM**  
**AND**  
**SHRI UDAYAN DASGUPTA, JM**

**1. आयकर अपील सं. / ITA No.103/ASR/2019**  
**(निर्धारण वर्ष / Assessment Year: 2013-14)**

**&**

**2. आयकर अपील सं. / ITA No.104/ASR/2019**  
**(निर्धारण वर्ष / Assessment Year: 2013-14)**

**&**

**3. आयकर अपील सं. / ITA No.105/ASR/2019**  
**(निर्धारण वर्ष / Assessment Year: 2014-15)**

<b>M/s Guru Nanak Rice Mills</b> VPO Pandori Khas Nakodar (Punjab) - 144040	<b>बनाम/ Vs.</b>	<b>ITO</b> Nakodar (Punjab) - 144040
<b>स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AADFG-3256-H</b>		
<b>(अपीलार्थी/Appellant)</b>	<b>:</b>	<b>(प्रत्यर्थी / Respondent)</b>

<b>अपीलार्थीकीओरसे/ Appellant by</b>	<b>:</b>	<b>Sh. Ashray Sarna (CA) – Ld. AR</b>
<b>प्रत्यर्थीकीओरसे/Respondent by</b>	<b>:</b>	<b>Sh. Farat Khan (CIT) – Ld. DR</b>

<b>सुनवाईकीतारीख/Date of Hearing</b>	<b>:</b>	<b>04-02-2026</b>
<b>घोषणाकीतारीख /Date of Pronouncement</b>	<b>:</b>	<b>05-02-2026</b>

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. In these appeals, the assessee assails confirmation of quantum additions as well as confirmation of penalty u/s 271G. First, we take up quantum appeal ITA No.103/Asr/2019 which arises out of an order

of Learned Commissioner of Income Tax (Appeals)-2, Jalandhar [CIT(A)] dated 31-10-2018 in the matter of an assessment framed by Ld. AO u/s 143(3) r.w.s. 144C of the Act on 30-01-2017. The registry has noted delay of 30 days in ITA No.103/Asr/2019 and delay of 3 days in the other two appeals. Since the delay is minor, the same is condoned and we proceed for adjudication of appeals on merits.

2. In the assessment order for AY 2013-14, Ld. AO has made additions and the assessee, in its grounds of appeal, has challenged confirmation of addition on account of Transfer Pricing (TP) Adjustment for Rs.413.72 Lacs as well as quantum additions of Rs.83 Lacs, Rs.35,924/- and Rs.28,683/-. The only prayer of Ld. AR is to set aside the matter before lower authorities which has been opposed by Ld. CIT-DR. Having heard rival submissions and upon perusal of case records, our adjudication would be as under. The prayer of Ld. AR stem from the fact that the impugned order is an ex-parte order.

3. The assessee is engaged in trading of rice and allied products. Since the assessee carried out specified domestic transactions of purchase of rice from Associated Enterprises, the same was referred u/s 92CA for determination of Arm's Length Price. The assessee failed to file TP report regarding these transactions. The TPO, vide order dated 28-09-2016, applied mean margin of 19.69% as reflected by 8 comparable entities and computed TP adjustment of Rs.413.72 Lacs which was incorporated in the assessment order. During first appeal, despite remand proceedings, the assessee remained non-compliant and accordingly, this adjustment was confirmed against which the

assessee is in further appeal before us. In fact, no specific finding has been rendered by Ld. CIT(A) on this issue.

4. The Ld. AR has stated that the assessee is in a position to substantiate his case before Ld. CIT(A). In the absence of any findings by Ld. CIT(A) in the impugned order, we accept the prayer of Ld. AR. Accordingly, this issue is restored back to the file of Ld. CIT(A) for de novo adjudication with a direction to the assessee to plead and prove its case forthwith. This ground stand allowed for statistical purposes.

5. Since the assessee failed to furnish TP documentation before Ld. TPO, it was saddled with penalty u/s 271G for Rs.55.98 Lacs which was confirmed by Ld. CIT(A) ex-parte qua the assessee vide order dated 27-11-2018. The same is subject matter of assessee's appeal ITA No.104/Asr/2019. Since we have restored TP issue back to the file of Ld. CIT(A) for fresh adjudication, this appeal also stand restored back on similar lines to Ld. CIT(A) for fresh adjudication in the light of outcome of TP adjustment ground. ITA No.104/Asr/2019 stand allowed for statistical purpose.

6. The Ld. AO made addition of Rs.83 Lacs as cash credit which represents suspense entries in the books of the assessee. The assessee failed to file the requisite details before lower authorities. The Ld. AR stated that the assessee is in a position to provide the details of the same. Considering the same, we restore this issue also back to the file of Ld. CIT(A) for fresh consideration with a direction to the assessee to plead and prove its case forthwith. The ground stand allowed for statistical purposes.

7. In the assessment order, Ld. AO made addition of Rs.5,33,052/- which represent capital addition by Shri Satpal Sohal. The assessee failed to prove the sources of the same. The Ld. AR stated that the assessee could prove the source of capital contribution. Considering the same, we restore this issue also back to the file of Ld. CIT(A) for fresh consideration with a direction to the assessee to plead and prove its case forthwith. The ground stand allowed for statistical purposes.

8. The last addition for Rs.28,683/- represent adhoc 20% disallowance for personal element in car expenditure. The same being reasonable estimation, do not require any indulgence. This ground stand dismissed. No other ground has been urged in the appeal. ITA No.103/Asr/2019 stand partly allowed for statistical purposes,

9. ITA No.105/Asr/2019 is quantum appeal for AY 2014-15. The Ld. AO framed assessment on 28-12-2017 and made various additions. The Ld. CIT(A) confirmed the assessment for want of any representation from the assessee. Keeping in mind the principles of natural justice, we set aside the impugned order and restore the appeal back to the file of Ld. CIT(A) for do novo adjudication with a direction to the assessee to plead and prove its case forthwith. The appeal allowed for statistical purposes.

10. ITA No.104/Asr/2019 and ITA No.105/Asr/2019 stand allowed for statistical purposes. ITA No.103/Asr/2019 stand partly allowed for statistical purposes.

Order pronounced on 05<sup>th</sup> February, 2026.

**-Sd-**  
**(UDAYAN DAS GUPTA)**  
**JUDICIAL MEMBER**

**-Sd-**  
**(MANOJ KUMAR AGGARWAL)**  
**ACCOUNTANT MEMBER**

Dated: 05-02-2026

**आदेश की प्रतिलिपि अग्रेषित /Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT AMRITSAR