

आयकर अपीलीय अधिकरण न्यायपीठ "एक-सदस्य" मामला रायपुर में

**IN THE INCOME TAX APPELLATE TRIBUNAL
RAIPUR BENCH "SMC", RAIPUR**

**श्री पार्थ सारथी चौधरी, न्यायिक सदस्य के समक्ष
BEFORE SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER**

आयकर अपील सं./ITA No.33/RPR/2026

निर्धारण वर्ष / Assessment Year : 2016-17

Kanti Lal Agrawal
House No.101, Goyal Bandhu, Kurra,
Dharsiwa, Raipur (C.G.)
PAN: AFEPA0699G

.....अपीलार्थी / Appellant

बनाम / V/s.

The Income Tax Officer-1(2),
Raipur (C.G.)

.....प्रत्यर्थी / Respondent

Assessee by : Shri R.B Doshi, CA
Revenue by : Dr. Priyanka Patel, Sr. DR

सुनवाई की तारीख / Date of Hearing : 10.02.2026

घोषणा की तारीख / Date of Pronouncement : 10.02.2026

आदेश / ORDER**PER PARTHA SARATHI CHAUDHURY, JM**

The present appeal preferred by the assessee emanates from the order of the Ld.CIT(Appeals)/NFAC, dated 24.11.2025 for the assessment year 2016-17 as per the grounds of appeal on record.

2. The brief facts in this case are that the assessee is engaged in rice milling and food grain trading under M/s Shri Khatushyam Rice Mill and filed his return of income for A.Y 2016-17 on 17.10.2016, declaring total income of Rs.10,99,570/-. The case was selected for manual scrutiny u/s. 143(2) of the Income Tax Act, 1961 (for short 'the Act') and notices were issued on 25.09.2017 and a detailed questionnaire u/s.142(1) on 07.07.2018. The assessee produced books of accounts, verified via test checks, showing total purchases of paddy/broken rice at Rs.10,95,25,791/-, including Rs.1,42,07,500 from three local parties: M/s Agrawal Agro (Rs.84,87,500), M/s Kesharwani Rice Mill (Rs.29,95,000), and M/s Shri Hanuman Food Products (Rs.27,25,000). A survey under section 133A of the Act on 15.03.2016 at premises of brokers/entry providers like Shri Sanjay Sharma and Shri Kamlesh Kesharwani revealed a nexus issuing fake bills without goods delivery, admitting commissions and cash recycling post-banking, lacking transport evidence. The A.O rejected books deeming these purchases bogus based on unserved notices

u/s.133(6) of the Act, non-existent addresses, immediate cash withdrawals in suppliers' bank statements, and no ITR filings by suppliers. Hence, the A.O disallowed 25% of Rs.1,42,07,5007- i.e. Rs.35,51,875/- as bogus purchases and assessed total income at Rs.46,51,450/- and passed order u/s. 143(3) of the Act, dated 22.12.2018.

3. In this regard, the Ld. Sr. DR submitted that this issue of obtaining benefits through bogus purchase bills by rice millers is sub-judice before the Hon'ble Jurisdictional High Court vide various cases filed before the said forum. She had submitted a list of the cases which are as follows:

“1. Keshari Rice Industries (ITA No. 410/RPR/2024 dt. 23.12.2024) for the Asstt. Year 2016-17.

2. Kishore Kumar Panjwani (378/RPR/2024 dt. 08.10.2024) for the Asstt. Year 2014-15.

3. Arvind Kumar Agrawal-(51/RPR/2025 dt. 18.03.2025) for the Asstt. Year 2015-16.

4. Sandeep Agrawal-MA. No. 22/RPR/2019 dated 28.05.2024 (Arising out of ITA No. 16/RPR/2016) for the Asstt. Year 2010-11.

5. Sudhir Kumar Bansal (Filed recently Limitation 11.12.2025)

6. Gurunanak Rice Industries - (ITA 370/RPR/2024 dt. 02.09.2024) for the Asstt. Year 2015-16.”

4. That on similar parameter, the ITAT, SMC Bench, Raipur in the case of **Vinod Kumar Agrawal Vs. ITO, Raipur, ITA No.630/RPR/2025, A.Y.2016-17, dated 11.12.2025** has held and observed as follows:

“2. Parties herein submitted that the issue pertains to the fact that the assessee herein is a rice miller and that as alleged by the Department he had obtained the benefit of bogus purchase bills from various agents and hence, the bogus purchase amount @ Rs.25% was added to the total income of the assessee. In this regard, Ld. Sr. DR submitted that this this issue of obtaining benefits through bogus purchase bills by rice millers is sub-judice before the Hon’ble Jurisdictional High Court vide various cases filed before the said forum. She had submitted a list of the cases which are as follows:

“1. Keshari Rice Industries (ITA No. 410/RPR/2024 dt. 23.12.2024) for the Asstt. Year 2016-17.

2. Kishore Kumar Panjwani (378/RPR/2024 dt. 08.10.2024) for the Asstt. Year 2014-15.

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6. Gurunanak Rice Industries - (ITA 370/RPR/2024 dt. 02.09.2024) for the Asstt. Year 2015-16.”

3. In this scenario, it would not be appropriate for this Bench to determine the facts and circumstances pertaining to the said additions on issue of procurement of bogus purchase bills by the assessee. At the same time, it would also not serve any logical purpose by keeping the matter pending at this level and therefore, it would be most appropriate that the said matter be remanded back to the file of the CIT(A)/NFAC and that the first appellate authority shall wait for the decision of the Hon’ble Jurisdictional High Court in the aforesaid matters on the issue stated herein, and thereafter shall adjudicate denovo as per law while complying with the principles of natural justice.

4. That even without going into the merits of the matter on consideration of facts that the effective issue in this matter is already subjudice before the Hon’ble Jurisdictional High Court, the same is therefore, restored to the file of the CIT(A)/NFAC, as per the aforesaid directions. The order of CIT(A)/NFAC is set-aside accordingly.

5. Before parting, it is made clear that this remanding of the matter to the file of the CIT(A)/NFAC shall not alter/amend any factual scenario pertaining to the case of the assessee. The facts and circumstances of the case and the point of law has to be decided afresh only after the decision by the Hon'ble Jurisdictional High Court as per its order, which shall be the main guideline while deciding this case by the first appellate authority.

6. As per the above terms, the grounds of appeal by the assessee stands allowed for statistical purposes.

8. In the result, the appeal of the assessee is allowed for statistical purposes.”

5. Respectfully following the aforesaid judicial pronouncement, on same parity of reasoning and for maintaining rule of consistency, I set aside the order of the Ld. CIT(Appeals)/NFAC and remand the matter back to its file with similar direction as recorded in ITA No.630/RPR/2025 (supra).

6. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced in open court on 10th day of February, 2026.

Sd/-
(PARTHA SARATHI CHAUDHURY)
न्यायिक सदस्य/JUDICIAL MEMBER

रायपुर / Raipur; दिनांक / Dated : 10th February, 2026.

SB, Sr. PS

आदेश की प्रतिलिपि अद्येषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.

3. The Pr. CIT-1, Raipur (C.G.)
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "एक-सदस्य" बेंच,
रायपुर / DR, ITAT, "SMC" Bench, Raipur.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur