

**IN THE INCOME TAX APPELLATE TRIBUNAL
JODHPUR BENCH, JODHPUR**

**BEFORE DR. MITHA LAL MEENA, HON'BLE ACCOUNTANT MEMBER
AND SHRI SUDHIR PAREEK, HON'BLE JUDICIAL MEMBER**

Sr. No.	ITA No.	Asst. Year	Appellant	Respondent	PAN No.
1.	525/Jodh/2024	2022-23	Kalu Ram Sushil Kumar Shop No. 160, Dhan Mandi, Padampur - 335041	ITO Ward – 1 Ganganagar	AABFK 7383 F
2.	353/Jodh/2024	2023-24	Hardev Singh Prop. M/s Abhiraj Trading Company, Shop No. 12-B1/2, Dhan Mandi, Gajsinghpur - 335024	ITO Ganganagar	DGQPS 4289 J
3.	705/Jodh/2024	2022-23	Kuldeep Prop. M/s Sahab Ram Kuldeep, Shop No. 38, Dhan Mandi, Goluwala - 335802	ITO Ward – 1 Hanumangarh	BUCPK 1975 P
4.	710/Jodh/2024	2023-24	Jagdish Prasad and Sons HUF Prop. M/s Mohan Lal Bhanwar Lal, Shop No. 34A, Nai Dhan Mandi, Hanumangarh - 335512	ITO Ward – 1 Hanumangarh	AADHJ 3054 L
5.	563/Jodh/2024	2022-23	Ganesh Singh Gulab Ji New Mandi, Sumerpur - 306902	DDIT, CPC Bangaluru, ITO Sumerpur	AAAFG 7489 F
6.	564/Jodh/2024	2023-24	Ganesh Singh Gulab Ji New Mandi, Sumerpur - 306902	DDIT, CPC Bangaluru, ITO Sumerpur	AAAFG 7489 F

7.	500/Jodh/2025	2023-24	Vimla Devi Prop. M/s Sanjay Trading Company, Shop No. 81, New Dhan Mandi, Raisinghnagar, Ganganagar	ITO Ward – 1 Shriganganaga r	AAMPA 7483 R
8.	38/Jodh/2025	2022-23	Rajesh Goyal M/s Sahi Ram Mandi Ram, 85B Nai Anaj Mandi, Hanumangarh - 335512	ITO Ward – 1 Hanumangarh	AKMPG 5666 L

Assessee By	1.	Shri Vedant Gupta, CA (Virtual)
	2.	Shri Rajesh Goyal, CA (Virtual)
	3.	Shri Rajesh Goyal, CA (Virtual)
	4.	Shri Rajesh Goyal, CA (Virtual)
	5.	Shri Arun Chordia, CA (Physical)
	6.	Shri Arun Chordia, CA (Physical)
	7.	Shri Vedant Gupta, CA (Virtual)
	8.	Shri Vedant Gupta, CA (Virtual)
Revenue By	Shri Lalit Kumar Bishnoi, Addl. CIT-DR (Virtual)	

Date of Hearing	29.01.2026.
Date of Pronouncement	17.02.2026.

ORDER

PER BENCH:

These appeals by assessee are filed against the separate order of the Commissioner of Income Tax, appeals, Addl/JCIT (A) [hereinafter referred to as JCIT (A)] challenging therein sole and common issue regarding confirmation of disallowance of the claim of TDS by the Kachha Arhatiya and commission agent

u/s 143(1) of the Income Tax Act. The case in ITA No. 525/Jodh/2024 is taken as a lead case for discussion of the facts and adjudication thereof.

2. At the outset, the Ld. Counsels for these Appellants submitted that these assesseees are engaged in the business of sale of agriculture crop produce on behalf of farmers on commission basis, commonly known as Kachhi Arhatiya, or Commission Agent. The nature of business of the kachha arhtiya is to/with providing of services to the farmer in selling his crop in the recognised Mandies, or the factory owners or the traders on the appropriate market rate, and further kachha arhtiya provide advances to the farmers for cultivation of his crop. For providing such type of services the kachha arhtia generally receive 2 percent commission i.e. arhat of value of crop. As per law the said commission receipt is treated as gross turnover of the kachha arhtiya. Here it is important to note that sale value of the crop sold by the farmer through arhtiya is not to be treated as turnover of the kachha arhtiya. In the present case the assessee is kacha arhtiya and has filed his ITR treating commission income as gross turnover in terms of the CBDT circular no. 452 dated 17.03, 1986.

3. He further submitted that as per CBDT circular a kachha arahtia acts only as an agent of his constituent i.e. farmer and never acts as a principal. The remuneration of a kachha arahtia consists solely of commission and he is not

interested in the profits and losses made by his constituent, as the kachha arahitia, does not have any dominion over the goods. The Board has advised that so far as kachha arahitias are concerned, the turnover does not include the sales effected on behalf of the principals and only the gross commission has to be considered for the purpose of section 44AB. In the case of agents whose position is similar to that of kachha arahitia, the turnover is only the commission and does not include the sales on behalf of the principals.

4. In the present cases, the CPC while processing the Return of Income u/s 143(1) of the Act, has accepted Returned income but it has restricted the claim of TDS by disallowing the claim of TDS on the ground that gross receipts as per form 26AS is more than that what were shown in the ITR, due to TDS deducted by the buyer under section 194Q of the Income Tax Act. It is contended by the Ld. AR that Buyer has deducted TDS under section 194Q on the purchase value of crop of the farmer purchased through kacha arhtiya, and it is not the sale or turnover of the kacha arthia, and actually it was sale of the farmer. The Ld. AR pleaded that considering the legal and factual position, the assessee is entitled for credit of whole amount of TDS as claimed in the ITR for the respective assessment years and requested to allow credit of the TDS to the assessee being kacha arhtia as a covered matter by Tribunal decisions.

5. On the other hand, the Ld. Addl. CIT Sr. DR relied on impugned Order. He contended that matter is covered in favour of Revenue by Coordinate Jodhpur Bench Decision in the case of **"Jagdish Rai Goyal Vs. ITO Hanumangarh"** in ITA Nos. 276 & 386/Jodh/2025 Asst. years 2022-23 & 2023-24 dated 25.11.2025 and several other judgements including Delhi Bench in ITA No. 278/Del/2024 dated 27/03/2024.

6. Having heard both the sides and perusal of record, we find that AO/CPC has not allowed the full credit of the TDS due to the mismatch of total receipt in ITR and that shown in Form-26AS. In this respect, appellant in his submission before Ld. CIT(A) and before us has submitted that the appellants are "Kaccha Arhatia" and also registered with Rajasthan Krishi Upaj Mandi and works as a middleman. As per the Circular No. 452(F.No. 201/3/85-/T(A-//)), dated 17.03.1986) the aforesaid Kaccha Arhatia acts only as an agent of his constituent and never acts as a principal.

7. It is pertinent to mention that in the present case the appellants are kachha arhatia who claimed to be engaged in selling crops on behalf of farmers there only gross commission has to be considered for the purpose of computing the turnover in the light of aforementioned CBDT Circular 452 of 1986 dated 17.03.1986 while computing tax liability. It is clarified that the short credit of TDS granted in respect of TDS deducted against their own PAN is

dependent upon filing of TDS statement by the assessee as mandated u/s 199 and rule 37BA(1). In view of that matter, these assesseees may be allowed due liberty to get the TDS statement rectified by getting appropriate corrections carried out in the TDS statement issued in its name by the deductor, by filing with the deductor the necessary declarations that TDS be issued in the name of the clients if there is any mismatch in the TDS claim as per the return vis-a-vis the TDS statement filed by the deductor.

8. The coordinate Delhi Bench (Supra) observed that the appellant should not get benefit of Tax erroneously deducted by the Payer in as much as the assessee has not shown the same as its income/receipts viz-a-viz the turnover shown in form No.26AS.

9. In the light of the CBDT Circular 452 of 1986 dated 17.03.1986, we deem it appropriate to direct the AO to examine and verify the contents of the Form 26AS at the time of giving appeal effect and give credit of TDS mismatch if any, to the appellant assesseees.

10. In the backdrop of the aforesaid discussion, all these eight appeals of the assesseees are allowed for statistical purposes.

Order pronounced in the open court on 17/02/2026.

**Sd/-
(SUDHIR PAREEK)
JUDICIAL MEMBER**

**Sd/-
(DR. MITHA LAL MEENA)
ACCOUNTANT MEMBER**

Dated : 17/02/2026.
Nimisha Sr. PS

True Copy

Copies to :

- (1) The appellant.
- (2) The respondent.
- (3) CIT
- (4) CIT(A)
- (5) Departmental Representative
- (6) Guard File

BY ORDER,

(Asstt. Registrar),
ITAT, Jodhpur