

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.845/RPR/2025

निर्धारण वर्ष / Assessment Year : 2018-19

Sourabh Agrawal
Prop. Sawaria Traders,
Shop No.217, Samta Colony,
Raipur (C.G.)-492 001
PAN: APPPA0229M

.....अपीलार्थी / Appellant

बनाम / V/s.

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

.....प्रत्यर्थी / Respondent

Assessee by : Shri Prafulla Pendse, CA
Revenue by : Dr. Priyanka Patel, Sr. DR

सुनवाई की तारीख / Date of Hearing : 20.02.2026

घोषणा की तारीख / Date of Pronouncement : 23.02.2026

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 16.10.2025 for the assessment year 2018-19 as per the following grounds of appeal:

“1 That the order of Ld. CIT(A) is bad in law as well as on facts and the entire addition of Rs.24,04,877/- so sustained by the Ld. CIT(A) is accordingly liable to be deleted.

2. In the facts and circumstances of the case, the Ld. CIT(A) has grossly erred in sustaining addition of Rs.24,04,877/- under section 69A of the income tax when the fact remains that the appellant was not liable under Law to maintain any books of accounts.

3. In the facts and circumstances of the case, the Ld. CIT(A) has grossly erred in sustaining addition of Rs.24,04,877/- in respect of entire sales instead of restricting the addition/ disallowance to a reasonable percentage of alleged bogus sales in accordance with settled judicial principles.

4. In the facts and circumstances of the case, the Ld. CIT(A) has grossly erred in sustaining addition of Rs.24,04,877/- in respect of entire sales by altogether ignoring the evidences furnished by the appellant.

5 The above grounds are independent and without prejudice to one and another.

6. The appellant craves leave to urge, add, amend, alter, enlarge, modify, substitute, delete or withdraw any of the ground or grounds and to adduce fresh evidence at the time of hearing of the appeal.”

2. The brief facts in this case are that the assessee is an individual and case of the assessee was reopened u/s. 147 r.w.s. 148A of the Income Tax

Act, 1961 (for short 'the Act') based on information shared with the A.O through ITBA as per the Risk Management Strategy formulated by the CBDT, according to which, the assessee had made bogus sales of Rs.24,04,877/- to M/s. Moksh Alloys during the A.Y.2018-19. According to the A.O, since the assessee was unable to prove genuineness of the sales made to M/s. Moksh Alloys for Rs.24,04,877/-, the A.O made addition of the said amount which was upheld by the Ld. CIT(Appeals)/NFAC.

3. At the time of hearing, the Ld. Counsel for the assessee submitted that they had filed return of income u/s. 44AD of the Income Tax Act, 1961 (for short 'the Act') on sales of Rs.55,11,951/- which itself includes sales of Rs.24,04,877/- made to M/s. Moksh Alloys and shown the profit thereon. But the A.O had again made the addition of Rs.24,04,877/-, therefore, there is double addition in the hands of the assessee. That further, the addition has been made u/s. 69A of the Act, whereas the assessee had submitted all the relevant evidences explaining the nature and source of the sales made and it has been acknowledged by the A.O himself in the assessment order that the assessee has produced sale invoices and other documents in support of his claim of sales.

4. Per contra, the Ld. Sr. DR vehemently supported the orders of the Sub-ordinate authorities. She particularly referring to Page 4 of the A.O's order submitted that the assessee had not submitted bank statements to

show genuineness of the purchases and sales and at the same time, no e-way bills, lorry receipts, proof of payment of GST and confirmation from the parties were submitted by the assessee.

5. I have heard the submissions of the parties herein, carefully considered the documents available on record, analyzed the facts and circumstances in this case. That coming to the argument raised by the Ld. Sr. DR referring to Page 4 of the A.O's order, she could not bring on record any evidence whether in the course of assessment those documents /evidences were not furnished by the assessee before the A.O since the A.O himself acknowledges in the assessment order itself at Page 7 that the assessee had produced sale invoices and other documents in support of his claim. The Ld. Sr. DR could not substantiate whether the assessee never filed supporting documents since the A.O accepts that supporting documents were filed by the assessee. Therefore, contention of the Ld. Sr.DR is contrary to the facts as accepted by the A.O in his order.

6. As per facts on record, in the return filed by the assessee, he has shown total sales u/s.44AD at Rs.55,11,951/- and the said return is not disputed by the Department. It has been contended by the assessee that such sales includes sales of Rs.24,04,877/- made to M/s.Moksh Alloys on which total profit had been calculated. The assessee has also filed sale bills and vouchers and other relevant documents in support of the entire sales

made however these documents were never examined and verified by the Department nor the Revenue authorities have given any categorical findings regarding genuineness of these documents furnished by the assessee. In a very casual and summary manner, the Revenue had brushed aside all these documents placed on record by the assessee and made addition u/s.69A of the Act as unexplained money in the hands of the assessee. The assessee on the other hand had filed return of income which is not disputed by the Department and the assessee had given all the details of sale bills/vouchers and other documents to justify the entire sales made. The claim of the assessee that the total sales of Rs.55,11,951/- includes sales of Rs.24,04,877/- made to M/s.Moksh Alloys on which profit element has been calculated, the same was not disputed by the A.O. The relevant taxes had been paid by the assessee. I am of the considered view that without negating all these facts on record through any corroborative materials, there cannot be separate addition of the same amount of Rs.24,04,877/- in the hands of the assessee u/s. 69A of the Act. The Revenue has also not brought on record any other undisclosed sources of income of the assessee and the total sales of the assessee were never disputed by the Department arising from regular course of business of assessee.

7. Considering all these facts and circumstances, in my considered view, additions made in the hands of the assessee u/s. 69A of the Act is arbitrary, bad in law and misplaced and hence, liable to be deleted. In view thereof,

the A.O is directed to delete addition from the hands of the assessee while providing appeal effect of this order. I order accordingly.

8. As per the above terms grounds of appeal raised by the assessee are allowed.

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

Order pronounced in open court on 23rd day of February, 2026.

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

रायपुर / Raipur; दिनांक / Dated : 23rd February, 2026.

SB, Sr. PS

आदेश की प्रतिलिपि अग्रेषित / 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