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.630/RPR/2026
निर्धारण वर्ष /Assessment Year : 2013-14

Ravi Kumar Kedia
1, RSIDA Road, Baloda Bazar,
Raipur (C.G.)-493 332
PAN: AJRPK5750D

.....अपीलार्थी / Appellant

बनाम / V/s.

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

.....प्रत्यर्थी / Respondent

Assessee by : None (petition filed)
Revenue by : Shri Piyush Tripathi, Sr. DR

सुनवाई की तारीख / Date of Hearing : 22.10.2026
घोषणा की तारीख / Date of Pronouncement : 22.10.2026

आदेश / ORDER

PER PARTHA SARATHI CHAUDHURY, JM

The present appeal preferred by the assessee emanates from the order of the Ld.CIT(Appeals)/NFAC, Delhi dated 24.06.2026 for the assessment year 2013-14 as per the grounds of appeal on record.

2. At the time of hearing, when the matter was call up for hearing, none appeared for the assessee. That as per order sheet entries, the matter came up for hearing on 09.09.2026, 17.09.2026, 23.09.2026, 30.09.2026 and finally today i.e. 22.10.2026. In all these dates of hearing, there was no compliance by the assessee either personally or through Authorized Representative. Power of attorney of the Authorized Representative is on record still in all these dates of hearing, none appeared on behalf of the assessee. In view of the decision of the Hon'ble Supreme Court in the case of **Ishwarlal Mali Rathod Vs. Gopal and Ors., passed in Special Leave Petition (Civil) Nos. 14117-14118 of 2021, order dated 20.09.2021,** there is no case made out for granting any further adjournment in the case of the assessee. Materials/documents are carefully perused, submissions of the Ld. Sr. DR are recorded and the matter is heard on merits.

3. Brief facts in this case are as follows:

"The Appellant, Shri Ravi Kumar Kedia, is an individual assessee aged approximately 41 years. He is engaged in the commercial business of running a rice milling industry. The operational framework of the business is conducted under the format of a sole proprietorship, trading under the trade name and style of M/s. Ekdant Chawal Udyog". The manufacturing unit and principal business office are located at 1, Risda Road, Raipur, Baloda Bazar, Chhattisgarh. The status of the assessee is recorded as an "Individual" and a resident entity within the domestic tax territory of India for the previous year ended 31st March 2013.

1.2 Original Return Filing Details and Compliance History

For the Assessment Year 2013-14 under consideration, the Appellant filed his original statutory Return of Income under Section 139(1) of the Income Tax Act, 1961, on 28/09/2013. In the return, the Appellant declared a total taxable income of Rs. 2,88,490/-. The financial records and books of account maintained by the sole proprietorship concern for the relevant period were subjected to a mandatory tax audit under Section 44AB of the Act. The audit report was completed by a qualified Chartered Accountant on 10/07/2013. The income-tax return was acknowledged by the department under electronic acknowledgment number 797134431280913.

1.3 Trigger Material and Reassessment Framework u/s 147/148

The completed assessment was subsequently disturbed due to specific information received by the Assessing Officer. The data originated from a survey operation under Section 133A executed on Nagrik Sahkari Bank Ltd., Raipur, as well as the office and business locations of multiple Rice Millers and two specific brokers.

The forensic evidence collected during the survey showed that several paper firms were operating as accommodation entry providers to various rice millers. These entities issued bogus purchase bills to facilitate cash extraction without executing any actual physical movement or supply of goods.

The entry providers and brokers stated under oath that payments received from rice millers into their bank accounts were withdrawn in cash on the same day and returned to the millers after deducting a fixed commission.

A detailed post-survey bank-account verification by the Income Tax Officer, Ward 1(2), Raipur, revealed that the Appellant, under his

proprietorship concern M/s Ekdant Chawal Udyog, had routed funds into this bogus channel. Specifically, the records indicated that the Appellant had recorded bogus purchases of paddy totaling Rs.14,40,000/- during the Financial Year 2012-13 from a paper entity named M/s Ridhi Sidhi Foods, managed by Shri Rakesh Ablani. The transactions were broken down into two components:

- 06.06.2012: Rs.9,00,000/-
- 13.06.2012: Rs.5,40,000/-

On the basis of this material, the Assessing Officer formed a reason to believe that income chargeable to tax had escaped assessment within the meaning of Section 147. Accordingly, after securing approval from the competent authority under Section 151, a notice under Section 148 was issued on 30/03/2021.

1.4 Assessment Timeline, Issuance of Notice u/s 142(1), and Non-Compliance

Following the issuance of the notice under Section 148, the Appellant failed to file a valid electronic return within the prescribed 30-day time frame. He filed a return long after the deadline on 07/01/2022, which led the Assessing Officer to treat the return as "invalid".

During the assessment phase, the Assessing Officer issued a notice under Section 142(1) on 18/12/2021, but the Appellant failed to submit a reply. A subsequent notice under Section 142(1) was issued on 02/01/2022, in response to which the Appellant filed a reply on 07/01/2022. In his reply, the Appellant asserted that the paddy purchases were genuine and submitted copies of bills, transport receipts, and "Anugya Patras" from the Krishi Upaj Mandi Samitis.

To verify the transaction, the Assessing Officer issued a statutory notice under Section 133(6) on 09/02/2022 to the supplier entity. In response, the proprietor, Shri Rakesh Kumar Amrani, filed a formal statement on 03/03/2022 explicitly stating that he had no business relationship or transaction of any nature with Shri Ravi Kumar Kedia or M/s Ekdant Chawal Udyog.

Confronted with this direct denial, the Assessing Officer issued a show-cause notice on 21/03/2022, providing the Appellant with an opportunity to explain the discrepancy by 23/03/2022. The Appellant did not file a reply within the permitted timeline.

1.5 Passing of the Final Assessment Order and Additions

> Consequently, the Assessing Officer concluded that the purchase entries were completely fabricated and represented an accommodation entry arrangement. The total sum of Rs. 14,40,000/- was treated as an unexplained credit under Section 68 and added to the Appellant's total taxable income.
>
> The assessment was finalized under Section 144 read with Section 147 of the Act vide an order dated 27/03/2022. The total income was assessed at Rs.17,28,490/-, and a consequential demand notice under Section 156 was issued for Rs.7,90.017/-, inclusive of interest under Sections 234A, 234B, and 234D."

4. Thereafter, the Ld. CIT(Appeals)/NFAC considering the submissions of the assessee and assessment order had rejected the appeal of the assessee as per findings on record.

5. At the very outset, it is noted that as per **Ground of appeal No. (II) & (III)**, the assessee had alleged that there is gross non application of mind on the part of the First Appellate Authority and that principles of natural justice were also violated since copy of reply received from party pursuant to notice issued u/s.133(6) of the Income Tax Act, 1961 (for short 'the Act') was never provided to the assessee. The said **Ground of appeal Nos. (II) & (III)** are extracted as follows:

> "**GROUND NO. II:**
>
> 1. On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in not considering that the Ld. AO had issued notice u/s 133(6) of the Act to Shri Rakesh Kumar Amrani (Proprietor of M/s Ridhi Sidhi Food Products) and relying upon its reply to arrive at a conclusion that the purchases made by the Appellant from Shri Rakesh Ablani ((Proprietor of M/s Ridhi Sidhi Foods) were bogus and non-genuine.

2. The Ld. CIT(A) failed to appreciate that the said notice was issued to an incorrect party, leading to a misinformed conclusion regarding the genuineness of the Appellant's transaction.

3. In view of the above, the Appellant most humbly prays that the impugned order is devoid of merits and reflects a gross non-application of mind, therefore, liable to be quashed.

GROUND NO. III

1. On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in not appreciating the fact that Ld. AO had violated the principles, of natural justice by not supplying the copy of reply received from the party pursuant to notice issued u/s.133(6) to them.

2. On the facts and circumstances of the case and in law, the Ld. CIT(A) further erred in not appreciating that Ld. AO had also violated the principles of natural justice by not providing an opportunity of cross examination of the party, basis of whose replies the impugned additions were made.

3. In view of the foregoing, the Appellant humbly prays that the impugned reassessment order passed in violation of principal of natural justice, be held as void ab initio and bad in law."

6. I find that on similar facts and circumstances this Bench of the Tribunal in the case of **Nimit Agrawal Vs. DCIT, Central Circle-1, Raipur (C.G.), ITA Nos.621 & 622/RPR/2026, order dated 21.10.2026** had remanded the matters back to the file of the Ld.CIT(Appeals) observing as follows:

"3. At the very outset, it is noted in the grounds of appeal that the Ld. CIT(Appeals) had overlooked the A.O had violated principles of natural justice. The said ground emanates in **Ground of appeal No.2** in ITA No.621/RPR/2026, A.Y 2018-19, which reads as follows:

"2. That the Ld. CIT(Appeals) severely erred in law and on facts in upholding the impugned addition of Rs.1,00,000/- while completely ignoring the violation of principles of natural justice by the Ld. Assessing Officer, who repeatedly denied the Appellant the statutory right to cross-examine the party whose statement recorded u/s.131 of the Income Tax Act, 1961 was used as the sole foundation against the Appellant. Therefore, the assessment order of Ld. Assessing Officer and the appellate order of Ld. CIT(Appeals), both are void ab initio."

Similarly in Form 35, the assessee has assailed in **Ground No.4** that the A.O had failed to provide any chance of cross examination to the assessee. The said ground is extracted as follows:

"4. That the Ld. AO utterly failed to provide the chance of cross examination of party whose mobile Whatsapp Message contains-"Bhaiya 1 aaya h", which is against the principles of natural justice."

4. Similarly, I find that as per **Ground of appeal No.3** in ITA No.622/RPR/2026, A.Y.2020-21, the assessee contends that the First Appellate Authority had overlooked violation of the principles of natural justice by the A.O and the said ground is extracted as follows:

"3. That the Ld. CIT(Appeals) severely erred in law and on facts in upholding the impugned addition of Rs.1,00,000/- while completely ignoring the violation of principles of natural justice by the Ld. Assessing Officer, who repeatedly denied the Appellant the statutory right to cross-examine the party whose statement recorded u/s.131 of the Income Tax Act, 1961 was used as the sole foundation against the Appellant. Therefore, the assessment order of Ld. Assessing Officer and the appellate order of Ld. CIT(Appeals), both are void-ab-initio."

That also in Form 35, as per Grounds of appeal before Ld. CIT(Appeals), the assessee had assailed in **Ground No.4** as follows:

"4. That, the Ld. AO also utterly failed to provide a chance of cross examination of party whose mobile Whatsapp Message contains-"give this guy the 1kg", which is against the principles of natural justice."

> 5. Now before this Bench, it has been assailed that principles of natural justice has not been followed by the A.O and at the same time, I find that there is no adjudication regarding this ground that cross examination should have been provided by the A.O and that the said ground assailed before the First Appellate Authority has not been adjudicated at all in the entire order of the Ld. CIT(Appeals). Therefore, without going into the merits of the matter, on this very aspect that ground assailed by the assessee that opportunity of cross examination was not provided to the assessee by the A.O and the said ground was left un-adjudicated by the First Appellate Authority, hence, for both these years, the orders of the Ld. CIT(Appeals) are set aside and the matters are remanded back to his file for adjudication of the said ground assailed by the assessee regarding opportunity of cross examination. Since this ground goes to the root of the matter, it has to be decided by the First Appellate Authority, first. The Ld. CIT(Appeals) shall pass a speaking order in terms with Section 250 (4) & (6) of the Act complying with the principles of natural justice.
>
> 6. In the result, both the appeals of the assessee are allowed for statistical purposes."

7. That on the same parity of reasoning, considering the facts and circumstances and submissions of the Ld. Sr. DR who conceded that justice would be better served if the matter is remanded to the file of the Ld.CIT(Appeals), I therefore, set aside the order of the Ld. CIT(Appeals)/NFAC and remand the matter back to its file for denovo adjudication complying with principles of natural justice. The assessee shall duly comply with the hearing notices issued from the First Appellate Authority.

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

Order pronounced in open court on 22nd day of October, 2026.

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

रायपुर / Raipur; दिनांक / Dated : 22nd October, 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