

IN THE INCOME TAX APPELLATE TRIBUNAL 'PATNA' BENCH, PATNA
(Through Virtual hearing at Kolkata)

BEFORE SHRI RAJESH KUMAR, AM
AND
SHRI PRADIP KUMAR CHOUBEY, JM

ITA No.212/PAT/2025
(Assessment Year: 2021-22)

DCIT
4th Floor, Jay Prakash Bhavan,
Dak Bunglow Chauraha, Patna,
Patna-800001, Bihar

Vs.

Sincon Infrastructure
Private Ltd.
Majestic Plaza, West Boring
Canal Road, S.K. Puri,
Patna-800001, Bihar

(Appellant)

(Respondent)

PAN No. AAACV7874L

Assessee by : Shri Alok Kumar, AR
Revenue by : Shri Rajat Datta, DR

Date of hearing: 29.07.2025
Date of pronouncement: 26.08.2025

ORDER

Per Rajesh Kumar, AM:

This appeal preferred by the Revenue against the order of the National Faceless Appeal Centre, Delhi [the learned CIT (A)] (hereinafter referred to as the "Ld. CIT(A)") dated 28.02.2025 for the AY 2021-22.

2. The only issue raised by the revenue is against the deletion of addition of ₹4,98,11,922/- by the Learned CIT (A), NFAC as made by the Learned AO under section 69C read with section 115 BBE of the Income-tax Act, 1961 (the Act) in respect of unsubstantiated purchases.

2.1. The facts in brief are that the assessee filed the return of income on 18-02-2022, declaring total income at ₹240,84,200/-. The assessee is engaged in the business of construction and maintenance of roads,

bridges, etc. The case of the assessee was selected for scrutiny under Computer Assisted Scrutiny Selection (CASS) for the reason that the substantial purchases were made from the suppliers who had not filed the returns of income. The Learned AO noted that in case of 7 suppliers, from whom the purchases aggregating to ₹4,98,11,922/- were made have not filed their returns of income. The Learned AO also issued notice under section 133(6) of the Act, but only one party replied. Finally, the Learned AO treated the said purchases as unproved and unsubstantiated purchases and added the same to the income of the assessee.

2.2. In the appellate proceedings, the Learned CIT (A) allowed the appeal of the assessee by observing that the assessee submitted all the evidences qua the said purchases comprising the ledger accounts along with the copy of invoices. The Learned CIT (A) also noted that AO has not pointed out any defect or deficiency in the books of accounts of the assessee and evidences furnished except stating that the suppliers were non-filers of income tax returns and have not responded to notice under section 133(6) of the Act. The Learned CIT (A) also relied on the decision of Hon'ble Supreme Court judgment in CIT vs. Odeon Builders Pvt. Ltd. [(2019) 418 ITR 315, 2019 (8) TMI 1072 (SC)], wherein it was held that mere fact the suppliers have not filed the returns of income, the purchases made by the assessee cannot be treated as bogus in absence of any evidence. Similarly, in the case of Nangalia Fabrics Pvt. Ltd. vs. DCIT [(2014) 220 Taxman 17 (Guj.)], the Hon'ble High Court has held that once the assessee has furnished complete details of the transactions including invoices, payment details, accounting records, then the onus shift to the revenue to prove the transactions as non-genuine. Similarly, in the case of Dash CIT vs. Nikunj Eximp Enterprises [(2013) 216 Taxman 171 (Bom)], the Hon'ble Court has

held that where sales are not disputed and the payments have been made through banking channels, the disallowance of corresponding purchases are unjustified. We have also perused a series of decisions referred and relied by the Id. CIT(A) and find them to be squarely applicable.

2.3. After hearing the rival contentions and perusing the materials available on record, we find that in this case the assessee has made purchases from the seven parties aggregating ₹4,98,11,922/- which according to the AO have not filed their returns of income and also have not replied to the notices under section 133(6) of the Act. We note that the assessee has filed all the evidences qua the purchases including the invoices, payment details and other bills and vouchers. The Learned AO has only made addition on the ground that the suppliers were non-filers of the returns of income and the purchases were not confirmed. We note that even the Learned CIT (A) in the appellate proceeding has called for remand report from the AO. The AO did not file any remand report despite the CIT (A) specifically asking the AO to submit the remand report.

2.4. We note that the assessee upon direction of the CIT (A) have furnished all the evidences before the AO and the Learned CIT (A) after examination and appreciation of the same allowed the appeal of the assessee by relying on the series of decisions as have been noted above. Therefore, we do not find any infirmity in the order of the Learned CIT (A). We also note that the assessee has also produced GST returns filed by the suppliers which are auto-populated from the website. Therefore, we do not find any reason to interfere in the order of the Id. CIT (A) who has passed a very reasoned and speaking order.

Accordingly. We uphold the order of the Learned CIT (A) by dismissing the appeal of the revenue.

3. In the result, the appeal of the Revenue is dismissed.

Order pronounced in the open court on 26.08.2025

Sd/-
(PRADIP KUMAR CHOUBEY)
(JUDICIAL MEMBER)

Sd/-
(RAJESH KUMAR)
(ACCOUNTANT MEMBER)

Kolkata, Dated:26.08.2025

Sudip Sarkar, Sr.PS

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

True Copy//

BY ORDER,

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Patna