

**IN THE INCOME TAX APPELLATE TRIBUNAL
AGRA BENCH 'SMC' : AGRA.**

BEFORE SHRI S.RIFAUR RAHMAN, ACCOUNTANT MEMBER

**ITA No.182/AGR/2025
(Assessment Year: 2017-18)**

Girdhari Lal Kedar Nath Singhal,
FF – 1, Bhagwati Complex,
M.G. Road, Opp. Shah Cinema,
Agra – 282 002 (Uttar Pradesh).
(PAN : AACFG5458N)
(APPELLANT)

vs. ITO 1 (1)(1),
Agra.

(RESPONDENT)

ASSESSEE BY : Shri Naveen Garg, Advocate
REVENUE BY : Shri Anil Kumar, Sr. DR

Date of Hearing : 21.08.2025
Date of Order : 03.09.2025

ORDER

1. The assessee has filed appeal against the order of the ld. Addl./JCIT(A)-1, Chandigarh ["Ld. JCIT", for short] dated 04.02.2025 for the Assessment Year 2017-18.
2. Brief facts of the case are, assessee, a partnership firm, filed its return of income for the AY 2017-18 declaring total income of Rs.5,54,200/-. The return was processed under section 143(1) of the Income-tax Act, 1961 (for short 'the Act'). Subsequently, the case was selected for scrutiny and notices u/s 143(2) and 142(1) were issued and served on the assessee. The AO observed that assessee has declared gross receipts under the head

'rent' for Rs.2,00,54,349/- and another receipts and declared net profit of Rs.4,94,875/-. The books of account were also audited under section 44AB of the Act. He further observed that in the immediate preceding AYs 2015-16 and 2016-17, the assessee has declared the income under the provisions of section 44AD of the Act i.e. net profit to tax @ 8% of the gross receipt. Accordingly, notices were issued to the assessee asking for relevant information. After considering the submissions of the assessee, AO has not found any variance in the gross receipt declared by the assessee, in order to verify the major expenditures claimed by the assessee. The assessee was asked to submit the details of transaction with All India Carrying Corporation and Mukesh Transport Agency, expenditure related to Gaya Sight, Majdoori expenses and details of gross rent declared by the assessee in its books of account, accordingly, summons were issued u/s 131 of the Act to Vishal, 665, Mobile Tower Wali Gali, Moti Vihar Colony, Kedar Nagar, Agra to whom assessee has made substantial payments against the work contract assigned to them by the assessee. From the written submissions against 142(1) notice dated 20.09.2019, the AO observed that most of the payments under the head majdoori, expenses are entirely made in cash and all those vouchers were prepared manually and these were remained in proper vouchers. Against the summons issued to four parties, they have confirmed to the AO that

the payments were made in cash against the work assigned to them for special contract work related to installation of tents etc.. Since the assessee could not produce the parties and submitted written submissions vide letter dated 14.10.2019. The AO not agreed with the submissions of the assessee and also not responded to the summons issued by him, he disallowed the unverified expenditure of special contracts to the extent of Rs.28,60,972/-. Further he observed that assessee has not charged interest on the funds diverted to GKS Projects and Events due to business relationship with them. The AO observed that during the year substantial amounts were advanced to them interest free to the extent of Rs.38,34,900/- out of which Rs.10,00,000/- received back, with the result amount of Rs.28,34,900/- remained outstanding at the end of the year. Accordingly, he proceeded to disallow the interest expenditure to the extent of Rs.75,019/- and he also disallowed a part of amount of deduction claimed u/s 80G to the extent of Rs.19,786/- and disallowance of indirect expenditure of Rs.50,000/-.

3. Aggrieved assessee preferred an appeal before the Id. Addl./JCIT (A)-1, Chandigarh and raised grounds, filed detailed submissions before the Id. JCIT. After considering the submissions of the assessee, Id. JCIT sustained the additions made by the AO with regard to contract payment with the following observation :-

“I have considered the submission made by the appellant and have also gone through the material on record. On perusal of assessment order, the submission and documents furnished during assessment proceedings had been considered and discussed by the AO in the assessment order. After considering all these documents and submission, the AO has held that these expenses on account of sub-contract were not genuine and remained unverified and therefore, the same were disallowed. As per settled principle - of law, if a deduction or allowance is claimed by an assessee, the onus is on him to establish the genuineness of the same, Here in case under consideration, the appellant had not been able to prove the genuineness of the sub-contract expenses in the name of 4 persons mentioned in the assessment order. There are a number of factors which are pointing toward the non- genuineness of these expenses. Firstly, appellant has not provided the exact nature of work done by those persons and copies of invoices raised. Secondly, there is only one invoice claimed to be raised by each of these 4 persons and that is also in March, 2017. Thirdly, all the payments had been made in cash below Rs.20,000/- on a single day before raising the invoice by those persons. Fourthly, TDS was required to be deducted on the date of payment or credit whichever is earlier, but no tax was deducted when payments were made. Lastly, these persons did not appeared before the AO in response to summons issued under section 131 of the Act for personal appearance and even, the appellant had not produced those persons for examination in spite of specifically asked by the AO. It has also been noticed that the disallowance of Rs.28,66,972/- has been made out of total contract payments of Rs.1,17,43,682/- as per 26AS. If all these facts are considered in totality, the genuineness of these expenses have not been established. Therefore, I am in agreement with the findings of the AO while disallowing these expenses. The case laws relied upon by the appellant are not going to help the appellant as those decisions were delivered on the basis of peculiar facts of those cases and no principle has been lead down regarding allowability of expenses. Here in present case, the disallowance has been made after taking into consideration the totality of the facts and circumstances. Even otherwise, these expenses are liable to be disallowed as per section 40A(3) of the Act as the payments exceeding Rs.10,000/- in a day had been made to these persons. Accordingly, the Ground No. 1.1 and 1.2 are dismissed.”

4. Aggrieved assessee preferred an appeal before ITAT raising various argumentative grounds of appeal, which is not as per the ITAT Rules. However, single grievance of the assessee is disallowance of sub-contract majdoori expenses claim.
5. At the time of hearing, ld. AR submitted as under :-

--7--

✓ 4.3.1 That the Appellant is of AGRA (U.P.).

The Nature of Business of the Appellant is Execution of "Tent Work" making Temporary Structures of "*Huge Pandals, Accommodation, Swiss Cottages etc.*" during the year mainly for the Events done at Distant Places (*Outside Agra*) by:-

- (i) *Dalai Lamas Religious Centre for Tibet Administration (Dharamshala, Himachal Pradesh)*
- (ii) *Samanvaya Seva Trust, Bharat Mata Mandir, Hatidwar.*
- (iii) *International Society for Krishna, Vrindavan.*
- (iv) *Swami Sukhdev Anand Trust, Kumbh Mela*

While Installing Temporary Structures of Pandals, the Nature of Sub-Contract work done is erection and dismantling work of Hanger structures at "*Kalachakra, Bodhgaya Site*".

It is more than hundreds of Kilometer away from the Business of the Appellant.

✓ 4.3.2 That for Execution of Work on the *Raw and Uneven* Sites of Event, the Nature of *impugned* "Sub-Contract Work" is Mandatory requirement which is Self-Speaking and Universal Fact.

4.4 That for Execution of Work, the *Voluminous* "Tentage Goods etc." were transported to the various Site for which itself Total Freight of Rs.27,20,742/- was paid which is NOT in dispute.

(The Freight alongwith the Invoices, Bills & Vouchers were duly furnished.)

4.5.1 That the Books of Accounts are duly Audited u/s 44AB of the I.T. Act.

The Audit Report alongwith Audited Balance Sheet, Profit & Loss Account with Annexures were duly E-filed.

4.5.2 That the Books of Accounts has been duly maintained and Audited, and there is No Disqualification as to *impugned* "*Sub-Contract Majdoori*".

The Entries in the Books of Account as per Section 34 of Indian Evidence Act is Evidence.

--8--

4.6 That during the year and in the preceding year, the Gross Receipts are as follows:-

<u>A.Y.</u>	<u>Gross Receipts</u>
2017-18	Rs.2,00,54,349/- (Under Assessment)
2016-17	Rs. 6,67,12,957 → 66712957
2015-16	Rs. 27,68,209/-

In relevant A.Y.2017-18 all the Receipts are through Banking Channels.

(It shall not be out of place to mention here that from A.Y.2017-18 the Income u/s 44AD is to be take @6% which comes to Rs.12,03,260/- on Gross Receipts of Rs.2,00,54,349/-.)

The Gross Income shown is Rs.12,08,940/- (Rs.4,94,874/- Net Profit + Rs.6,60,000/- Partner Remuneration + Rs.54,066/- Partner Interest)

The Books of Accounts for the first time were Audited u/s 44AB of the I.T. Act for compliance as to 44AB of the I.T. Act, being the Turnover of Rs.2,00,54,349/-

4.7.1 That the Case was Selected for Scrutiny (CASS) categorically mentioning ONLY Reason in Notice u/s 143(2) dt.27.09.2019:-

"2. While acknowledging the care and diligence you may have taken in preparing the return, there are certain issues which need further clarification, for which your return of Income has been selected for scrutiny and such issues initially are as under:

- S.No. Issues*
i. Method of Accounting"

(Copy enclosed Pg.5)

The Explanation w.r.t. "Change in Method of Accounting" was categorically submitted vide Written Submission dt.25.07.2019 (Para 9.1 & 9.2):

"9.1 The method of Accounting employed during the relevant Assessment Year 2017-18 for calculating business profit is "Mercantile System of Accounting".

-7-

9.2 That the change in Method of Accounting from Cash System of Accounting to Mercantile System of accounting has resulted in net increase in profits as apparent from Form 3CD column 13(b) and change in method of accounting has not resulted in decrease in profit.”

The Change in the Method of Accounting from Cash System of Accounting to Mercantile System of accounting is done due to difficulty faced in accounting during the year as mercantile system is in service tax whereas cash system was in income tax in preceding years, which was requiring reconciliation time and again.

Considering the Explanation “No Adverse Inference” has been drawn as to Change in the Method of Accounting in the Assessment framed.

4.7.2 That the *impugned* Addition of Entire Disallowance of Rs.28,60,972/- of “Sub- Contract Majdoori” is beyond the Scope of Reason for Selection of Scrutiny.

The Addition is Wrong, Illegal & Vitiating.

The Detailed Written Submission is being submitted Separately on “LEGAL GROUNDS” (VIIth Written Submission)

4.8 That the Disallowance of Entire “Sub- Contract Majdoori” Expense of Rs.28,60,972/- has been made of Four Persons Brushing Aside and Not Properly Appreciating the Series of Evidences furnished as mentioned in Para 4.2, which is Grossly Arbitrary, Erroneous, Unwarranted, Capricious, Wrong & Illegal.

4.9 That the Explanation/ Submission of *impugned* Addition of Rs.28,60,972/- w.r.t. Expenses claimed of following each Four Persons is being submitted Separately *Para-wise*:-

- (i) Rs.7,03,217/- Shri Vishal (PAN BZHPG7627J)
Khasra No.665, Motii Viihar Colony, Mobile Tower wali Gali, Kedar Nagar, 100 Futa Road, Agra.
(Para 4.9.1)
- (ii) Rs.7,50,408/- Shri Rajendra Prasad Goyal (PAN AFNPG2272A)
106/1 Tej Nagar, Kamla Nagar, Agra
(Para 4.9.2)
- (iii) Rs.6,63,980/- Shri Vivek Miittal (PAN ASVPM6766E)
102, 6/19 ML Plaza, Barah Bhai Gali, Belanganj, Agra
(Para 4.9.3)
- (iv) Rs.7,43,367/- Shri Vikash Mittal (PAN AUMPM6768P)
102, 6/19 ML Plaza, Barah Bhai Gali, Belanganj, Agra
(Para 4.9.4)
- Rs.28,60,972/-

4.9.1(i)Re: Impugned Addition Rs.7,03,217/- w.r.t. "SUB-CONTRACT MAJDOORI" OF "VISHAL GOYAL" (PAN: BZHPG7627J)

The following Documents stands furnished in confirmation & proof of Genuineness of Rs.7,03,217/- to "VISHAL GOYAL" (PAN: BZHPG7627J), Khasra No.665, Mobile Tower Bali Ganj, Moti Vihar Colony, Kedar Nagar, Agra -282010 (U.P.) are enclosed:

NAME	PAN	AMOUNT PAID	TDS DEDUCTED/ PAID
SHRI VISHAL	BZHPG7627J	Rs.7,03,217/-	Rs.14,064/-

- (i) Copy of "Ledger Account" duly Confirmed by "VISHAL" for amount of Rs.7,03,217/- (Pg.22)
- (ii) Copy of TDS Certificate (Form No.16A) issued by Traces (I.T. Department) is also mentioning Full Address showing TDS Paid of Rs.14,064/- on Amount of Rs.7,03,217/- (Pg.23)

-11--

As per above TDS Certificate itself, the Nature of Payment is 194C of the I.T. Act which proves under the head "Contract".

- (iii.) *The Copy of "Form 26Q" showing TDS deducted of "VISHAL GOYAL" of Rs.14,064/- (Pg.41)*
- (iv.) *Copy of Confirmation of Payment made to "VISHAL GOYAL" (Pg.24)*
- (v.) *Copy of ITR of "VISHAL GOYAL" of relevant A.Y.2017-18. (Pg.25)*
The Income shown including on the Payment of Rs.7,03,217/-.
The TDS Paid of Rs.14,064/- (on Payment of Rs.7,03,217/-) has been duly shown in the ITR by "VISHAL GOYAL".
The "Address in the ITR" Khasra No.665, Mobile Tower Bali Ganj, Moti Vihar Colony, Kedar Nagar, Agra (U.P.)
- (vi.) *Copy of Aadhar Card of "VISHAL GOYAL" (Pg.26 to 27)*

The impugned Disallowance made of Rs.7,03,217/- of "VISHAL GOYAL" for ONLY REASON has been mentioned that the so called Summon u/s 131 dt.03.09.2019 issued to "VISHAL" has been Received back with the Postal Remarks "incomplete address". (Assessment Order Pg.4, Top Para)

It was surprising as he is having the PAN and filing his Income Tax Returns that too of the relevant A.Y. 2017-18 at Address "Khasra No. 665, Moti Vihar Colony, Mobile Tower Wali Gali, Kedar Nagar, 100 Futa Road, Agra" and could have been returned for the reason "Incomplete Address" in summary manner as no proper attempt being made, as the address is mentioning Khasra Number.

The Address mentioned in the Income Tax Return filed by "VISHAL GOYAL" is already on the I.T. Record alongwith PAN, Aadhar itself Categorically & Unequivocally Proved the Identity of "VISHAL GOYAL".

It was Categorically Requested in the Submission dt.14.10.2019 (Para 8):-

"If their presence is still felt with, the same may kindly be done by virtue of powers vested with your honour."

STRONG RELIANCE IS PLACED:-

- (i) 44 Taxmann.com 206 (Hon'ble High Court of Gujarat) (Copy enclosed Pg.42 to 44)
C.I.T- I v. B.M.S. Projects (P.) Ltd. (Departmental Appeal)

Head Note:

“Assessing Officer observed that major expenses incurred by assessee were on account of job works which were sub-contracted to various persons for carrying out work contracted out to assessee - On account of non-production of parties, Assessing Officer disallowed expenditure and made addition of such amount - Commissioner (Appeals) after an elaborate examination confirmed only part of total disallowance - Tribunal deleted entire addition made by Assessing Officer holding that on ground of residential address and registration address of some sub-contractors being same, there was no reason to disbelieve evidence - Whether where TDS was deducted on payments made to sub-contractors and other details were also furnished, Tribunal committed no error in deleting entire addition made by Assessing Officer - Held, yes.

(Emphasis Supplied Pg.42, Head Note Para)

Held:

6.1.. It has also been argued before us by learned senior counsel Mr. Shah that these being the sub-contractors who are mainly on the move from one place to another and therefore, ordinarily for the convenience of one and all, the address given by many of them was the same address. It could be also noticed that the TDS was deducted on payments made to these sub-contractors and other details were also furnished. From the totality of the facts, the Tribunal has committed no error in deleting the entire addition made by the Assessing Officer. The entire issue is based on factual matrix. From the sufficiency of evidence, when the Tribunal has held in favour of the assessee and when no question of law much less substantial question of law has arisen, this issue deserves no further consideration on merits.”

--13--

- ii.) 159 ITR 78 (Hon'ble Supreme Court) (Copy enclosed Pg.45 to 46)
C.I.T., Orissa vs. Orissa Corporation (P) Ltd.

Held:

“Held, that in this case the respondent had given the names and addresses of the alleged creditors. It was in the knowledge of the Revenue that the said creditors were income-tax assesseees. Their index number was in the file of the Revenue. The Revenue, apart from issuing notices under section 131 at the instance of the respondent, did not pursue the matter further. The Revenue did not examine the source of income of the said alleged creditors to find out whether they were creditworthy. There was no effort made to pursue the so called alleged creditors. In those circumstances, the respondent could not do any anything further. In the premises, if the Tribunal came to the conclusion that the respondent had discharged the burden that lay on it, then it could not be said that such a conclusion was unreasonable or perverse or based on no evidence.”

(Emphasis Supplied Pg.45, Last Para)

- ii.) 42 Taxmann.com 196 (Hon'ble High Court of Gujarat)
C.I.T.-III vs. R.N. Dobaria (Copy enclosed Pg.47 to 50)

Head Note:

“Assessing Officer disallowed 25 per cent of sub-contractor expenses and added said amount to income of assessee - He also disallowed entire hiring charges - Commissioner (Appeals) observed that assessee had fully discharged its onus of providing details of sub-contract expenses by submitting complete names, address, PAN, confirmations, IT returns and bank statements of sub-contractors as also details of TDS and proof for payment made by account payee cheques - As regards hiring charges, it was found that sufficient material was placed on record inclusive of bills as well as TDS - Tribunal confirmed findings of Commissioner (Appeals) - Whether reasoning given by Commissioner (Appeals) as well as Tribunal was concurrent finding of facts which was on appreciation of evidence, and, therefore, there was no reason to interfere with impugned order - Held, yes”

(Emphasis Supplied Pg.47, Head Note Para)

(iv.) 165 Taxmann.com 496 (Hon'ble Kolkata ITAT Bench)

Airovient Fans & Systems (P.) Ltd. vs. Dy.C.I.T. (Copy enclosed Pg.51 to 54)

Held:

"3.. We have carefully considered the rival submissions as also the documents placed before us. It is understood that the income under the head 'business and profession' would be earned by making certain relevant expenditure. While demonstrably unjustified expenditure could be disallowed, but it is also clear that there are limits to the kind of documentation and evidences that a normal business would be expected to maintain. In this case, the assessee has adequately demonstrated that he has meticulously maintained documents and even deducted tax at source on the payments made to vendors who were associating with him in executing turnkey projects. It is felt that even the ld. CIT(A) has failed to appreciate that there are limits to the kind of evidences that any normal business entity would have with it to justify the expenditure incurred for earning business income. In this case it is felt that the assessee could not have done any better than what he has already done in terms of filing detailed documents to justify the expenditure incurred. We draw strength from two cases of the Hon'ble Calcutta High Court in this regard to show that the burden of proof on the assessee regarding proving expenditure u/s 37(1) of the Act has limits and cannot be mainly disallowed on the grounds adopted by the AO. The two cases are as follows:

(a) *Ashok Surana v. CIT [2017] 79 taxmann.com 318 /384 ITR 267 (Calcutta) the head note of which is extracted as under:*

"Section 37(1) of the Income-tax Act, 1961 - Business expenditure - Allowability of (Burden of proof) - Assessment year 2001-02 - When appropriate evidence has been adduced, it is not in power of Assessing Officer to arbitrarily disallow any item of expenditure on ground that sums are not verifiable."

(b) *Pr. CIT v. Paharpur Cooling Towers Ltd. [2023] 150 taxmann.com 238 (Calcutta) the head note of which is extracted as under:*

"Section 37(1) of the Income-tax Act, 1961 - Business expenditure - Allowability of (Consultancy fee) - Assessment year 2013-14 - Assessee claimed payment to a company for management consultancy services - Assessing Officer treated payment as bogus transaction and disallowed claim holding that said shell entity was non-existent at its registered address - On appeal, Commissioner (Appeals) noted that assessee had availed services of consultant in connection with contract awarded by BHEL; and that such payments were made by account payee cheques and payment included service tax on invoice and payee was duly registered with service tax department - Commissioner (Appeals) further noted that transaction took place in financial year 2012-13, relevant to assessment year 2013-14, whereas enquiry was sought to be conducted for year 2016-17, by which time payee company had been struck off and therefore, Commissioner (Appeals) concluded that inference could not be drawn that payee company was not in existence when transaction was made or that transaction was bogus - Commissioner (Appeals), therefore, allowed expenses claimed by assessee - Tribunal upheld order of Commissioner (Appeals) - Whether on facts, no question of law did arise from order of Tribunal - Held, yes"

4. *Considering the above discussions, the appellant succeeds on both the grounds, which basically are on the single amount of disallowance u/s 37(1) of the Act amounting to Rs. 1,80,01,565/-.*

(Emphasis Supplied Pg.54, Para 3 to 4)

--16--

- (v.) 65 ITR 381 (Hon'ble Supreme Court of India)
C.I.T. Vs. Walchand & Co. (P.) Ltd. (Copy enclosed Pg.68 to 71)

Held:

"The income-tax authorities have to decide whether the expenditure claimed as an allowance was incurred voluntarily and on grounds of commercial expediency. In applying the test of commercial expediency for determining whether the expenditure was wholly and exclusively laid out for the purpose of the business, reasonableness of the expenditure has to be adjudged from the point of view of the businessman and not of the revenue.

(Emphasis supplied Pg.71, 8th Line)

We agree with the High Court that the Order of the Tribunal disallowing the claim for allowance of the whole of the additional remuneration was not supported by any evidence"

(Emphasis supplied Pg.71, Last Para, Last 3rd Line)

It was Categorically submitted in the Submission dt.14.10.2019 (Para 5):-

"5. That the onus that lay upon the assessee stands unequivocally fulfilled and discharges by providing the PAN, copy of ITR, confirmations and respective TDS Certificate."

- (vi.) 7 ITJ 319 (Hon'ble High Court of MP) (Copy enclosed Pg.55 to 58)
The C.I.T. vs. Barjatiya Children Trust

Head Note:

"AO required production of creditor- Creditor not produced- Addition made – Held – GIR No., Balance Sheet, Confirmation Letter etc were already filed before AO- AO could have verified records of creditor, but instead he chose the easier course of ordering production of the Creditor which cannot be appreciated- AO should realize inconvenience to assessee – Production of cash creditor should be insisted only when the genuineness of the transactions cannot be established with help of records- Addition cannot therefore be made."

(Emphasis supplied Pg.55 & 56, Last Para)

6. On the other hand, Id. DR of the Revenue relied on the orders of the lower authorities.
7. Considered the rival submissions and material placed on record. I observe that the assessee is in the business of tent work making temporary structures of Huge Pandals, Accommodation, Swiss Cottages etc.. I observe that assessee is taking the contract from various parties and sub-contracts the same. Since assessee has to do tentage contracts which involves voluminous transportation and installation of tentage goods in various places. Accordingly, assessee deals with sub-contractors by settling the same in cash. These being unregulated sector most of the transactions are only through cash. I observe that the assessee has dealt with four sub-contractors of whom the assessee has already submitted PAN details and their respective assessments and also submitted confirmation from these parties. Further I observe that assessee has deducted TDS on such payments and the same were duly complied with and copies of TDS certificates were also submitted before the authorities. Further I observe that assessee also submitted the ITR of these parties. Since these parties were not brought before the AO and these transactions were carried by settling the same in cash, the expenses were disallowed. Since these parties are already filing return of income

and their incomes were assessed to tax and considering the peculiar nature of the business of the assessee, I observe that assessee has declared Rs.2 crores of gross receipts during the year and the same was accepted by the Revenue and the nature of business involving erection of huge tents and it cannot be denied that assessee might have given some sub-contracts to the parties involving of such sub-contractors in such business cannot be denied and assessee has properly brought on record, the payments and TDS were deducted properly and assessee is regularly doing business in this line of business and such payment of about 4% of the gross receipt cannot be denied as genuine transaction. Hon'ble High Court of Gujarat in the case of CIT-I vs. BMS Projects (P.) ltd. 44 taxmann.com 206 has held as under :-

"Head Note :

Assessing Officer observed that major-expenses incurred by assessee were on account of job works which were sub-contracted to various persons for carrying out work contracted out to assessee - On account of non-production of parties, Assessing Officer disallowed expenditure and made addition of such amount - Commissioner (Appeals) after an elaborate examination confirmed on Iv part of total disallowance - Tribunal deleted entire addition made by Assessing Officer holding that on ground of residential address and registration address of some sub-contractors being same, there was no reason to disbelieve evidence - Whether where TDS was deducted on payments made to sub-contractors and other details were also furnished, Tribunal committed no error in deleting entire addition made by Assessing Officer - Held, yes."

8. These expenditure claimed by the assessee are wholly and exclusively for the purpose of business, hence these payments were deserved to be allowed and AO has any doubt on cash payments, he could have initiated other proceedings in respect of disallowance the expenditure. Merely because the settlements were made through cash, it cannot itself be held to be non-genuine. We have to consider the nature the nature of transaction and nature of industry. Accordingly, the grounds raised by the assessee are allowed.
9. In the result, the appeal filed by the assessee is allowed.

Order pronounced in the open court on this 3rd day of September, 2025.

**Sd/-
(S.RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

**Dated: 03.09.2025
TS**

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals).
5. DR: ITAT

**ASSISTANT REGISTRAR
ITAT, NEW DELHI**