

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“B” BENCH, AHMEDABAD**

**BEFORE: SHRI SANJAY GARG, JUDICIAL MEMBER  
AND**

**SMT. ANNAPURNA GUPTA, ACCOUNTANT MEMBER**

आयकर अपील सं./I.T.A. No. 1920/Ahd/2025  
(निर्धारण वर्ष / Assessment Year : 2018-19)

<b>Dineshchandra Laddha</b> 15, Alok Estate, Nr. Ramrajya Nagar, Amraiwadi, Ahmedabad, Gujarat- 380026	<b>बनाम</b> / Vs.	<b>The Income Tax Officer</b> Ward-1(2)(1), Ahmedabad
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No. : AAGPL9626D		
<b>(Appellant)</b>	..	<b>(Respondent)</b>

अपीलार्थी ओर से /Appellant by :	Shri Vinit Moondra, AR
प्रत्यर्थी की ओर से/Respondent by :	Shri Abhijit, Sr. DR

<b>Date of Hearing</b>	08/01/2026
<b>Date of Pronouncement</b>	23/02/2026

**ORDER**

**PER ANNAPURNA GUPTA, AM:**

The present appeal has been filed by the assessee against the order of the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (hereinafter referred to as “NFAC”), Delhi (hereinafter referred to as “CIT(A)”) dated 26.08.2025 passed under Section 250 of the Income Tax Act, 1961 (hereinafter referred to as the “Act”) and relates to Assessment Year (A.Y.) 2018-19.

2. The grounds of appeal raised by the assessee read as under:

“1. In his order dated 21/03/2024, the Ld. AO has erred in law by making an addition of Rs. 76,34,197 u/s 690 rws 115BBE

*without identifying the facts of the case and real nature of transactions involved. The CIT A has erred in law by confirming the same.*

2. *Any other grounds of appeal shall be submitted at the time of hearing."*

3. The solitary issue in the present appeal relates to disallowance made of purchases amounting to Rs.76,34,197/- u/s.69C of the Act, treating them to bogus in nature. The orders of the authorities below reveal that the assessee's case was taken up for re-assessment on the basis of information with the AO that the assessee had made bogus purchase amounting to Rs.76,34,197/- during the impugned year. This information had been received from the Office of DDIT (Inv.), Unit-1(3), Ahmedabad and the information was to the effect that the Central GST, Ahmedabad South Commisionerate had carried out investigation revealing that the assessee to be beneficiary of bogus purchases of Rs.76,34,197/- from M/s. Uttam Metals during the impugned year. Thereafter, proceedings for assessment of income were conducted and order passed by the AO u/s.147 of the Act treating the purchases made by the assessee from M/s. Uttam Metals amounting to Rs.76,34,197/- has been bogus in nature and adding the same to the income of the assessee finding the assessee to have not discharged his onus of proving the genuineness of the same.

4. The matter was carried in appeal before the Ld. CIT(A) who confirmed the order of the AO.

5. We have heard both the parties. The Ld. CIT(A) has confirmed the treatment of purchases made by the assessee from

M/s. Uttam Metals amounting to Rs.76,34,197/- as bogus, noting that the assessee had not proved the movement of goods with solid documentary evidences either during the course of assessment proceedings or during appellate proceedings. His findings in this regard are at para 7.3 of his order and at para 7.5 of his order as under:

*“7.3 During the course of appellate proceedings, the appellant has filed the written submission and the same is perused by the undersigned. The appellant has argued that purchases made from M/s. Uttam Steel is genuine in the instant case, **the appellant had never proved the movement of goods with solid documentary evidences either during the course of assessment proceedings or during the appellate proceedings. However, the onus vests with the appellant to prove the movement of goods by submitting the relevant documents such as delivery challan/packing list along with the inward/outward entry, goods received note or delivery challan (GRN)***

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*7.5 In the written submission filed before the CIT(A), **the appellant has not furnished any records which to substantiate the claim of physical delivery of goods for the purchases. Further, it is observed that the facts of the present case is squarely matches with facts of the case Pr.CIT-5, Mumbai Vs. Kanak Impex (India) Ltd in ITA No.791 of 2021 dated 03.03.2025 as discussed above. Therefore, in light of the above, it is proved beyond doubt that the purchases from M/s Uttam Steel is not genuine and inflated and the addition of Rs. 76,34,197/- made by the AO in the assessment order dated 21.03.2023 holds good. The appellant has raised the objection on the addition of Rs.76,34,197/- through ground no. 1 therefore, ground no. 1 is decided against the appellant.***”

6. As transpires from the above, the case of the Revenue for finding the purchases made by the assessee from M/s. Uttam Metals to be bogus rests on the fact that the assessee was unable to demonstrate the movement of goods inward on account of the said purchase.

7. The order of the AO reveals that the assessee had filed ledger accounts and tax & invoices of M/s. Uttam Metals during assessment proceedings. Before us, Ld. Counsel for the assessee pointed out that the assessee had filed the ledger confirmation, affidavit and bank statement of M/s. Uttam Metals to demonstrate the genuineness of purchases made from it. Besides the assessee had also filed stock register showing inward and outward movement of material from M/s. Uttam Metals. Further, documents showing movement of material inward and outward as per the stock register were also filed as follows:

- i. Purchase Invoice from M/s. Uttam Metals
- ii. Weigh receipt at the time of outward of goods from M/s. Uttam Metals
- iii. Weight receipt of the lorry at the time of inward at assessee's place
- iv. sale invoice of the same goods
- v. Delivery challan for sale of goods

7.1 All these documents filed along with reply filed by the assessee to the AO dated 16.12.2023 were placed before us at paper book page nos. 31 & 34. The assessee also filed before us screenshot of the Income Tax Portal reflecting the filing of impugned documents during the course of assessment proceedings at paper book Page No.31.

7.2 It is clear from the above that the Ld. CIT(A)'s finding of the assessee having not established the movement of goods purchased from M/s. Uttam Metals is factually incorrect. As

pointed out by the Ld. Counsel for the assessee before us, the assessee did file its entire stock register alongwith all documents showing movement of goods in and out including weight receipts of lorry at the time of inward at assessee's place and the weight receipt of lorry also at the time of outward from the M/s. Uttam Metals. The above documents clearly show the movements of goods from M/s. Uttam Metals to the assessee. Ld. DR was unable to controvert that the assessee had filed these documents during assessment proceedings itself.

8. In the light of the above, it is amply clear that the Ld. CIT(A) had recorded incorrect finding of fact that the assessee had been unable to establish the movement of goods purchased from M/s. Uttam Metals. Since, the Ld. CIT(A) has held the purchases made by the assessee from M/s. Uttam Metals to be bogus for the above reason alone and since the said reason has been found to be factually incorrect, therefore, there remains no basis with the Revenue for treating the purchases made by the assessee from M/s. Uttam Metals as bogus. In any case, we find the assessee had filed all documentary evidences to discharge its onus of proving the genuineness of purchases from M/s. Uttam Metals being;

- i. confirmation from M/s. Uttam Metals,
- ii. Copy of bank statement,
- iii. Affidavit of the owner of M/s. Uttam Metals confirming sales made to the assessee during the impugned year,

- iv. Copy of bank statement of the assessee reflecting payment made to M/s. Uttam Metals for the purchase made
- v. stock register showing inward and outward movement of materials from M/s. Uttam Metals.
- vi. Complete set of documents substantiating the inward and outward method stock received from M/s. Uttam Metals being (a) purchase invoice of M/s. Uttam Metals, (b) weight receipt at the time of upward from goods for M/s. Uttam Metals, (c) weight receipt of the lorry at the time of inward at assessee's place, (d) sale invoice of the same goods & (e) delivery challan for sale of goods.

9. Further we find that though the case of the assessee was reopened on the basis of information from the investigation wing of the Department that the assessee had made bogus purchases from M/s. Uttam Metals, but, there is no mention of the said information in the entire order, either of the AO or of the CIT(A). The assessee though has pointed out that the information was collected from the GST Department, but, he has pointed out that the GST Department in the case of the assessee itself raised no demand on the assessee for the impugned year. He filed a copy of the GST assessment of the assessee for the impugned year reflecting no demand raised on the assessee. Ld. DR was unable to controvert the aforesaid fact.

10. In the light of the above, noting the fact that the assessee had filed all documentary evidences proving the genuineness of purchase made from M/s. Uttam Metals and the Revenue has

pointed no infirmity in the same nor brought to our notice any adverse material in its possession relating to the said purchases, we have no hesitation in holding that the assessee has sufficiently discharged its onus of proving the genuineness of purchases made from M/s. Uttam Metals. The addition made to the income of the assessee, therefore, of Rs. 76,34,197/- treating the said purchases as bogus is directed to be deleted.

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

<b>This Order pronounced on</b>	<b>23/02/2026</b>
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Sd/-  
(SANJAY GARG)  
**JUDICIAL MEMBER**  
Ahmedabad; Dated 23/02/2026  
S. K. SINHA

Sd/-  
(ANNAPURNA GUPTA)  
**ACCOUNTANT MEMBER**

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to : True Copy

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt. Registrar)  
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad