HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

D.B. Income Tax Appeal No. 73/2026

The Principal Commissioner Of Income Tax-1, Jaipur, New Central Revenue Building, Statue Circle, B.d. Road, Jaipur.

----Appellant

Versus

Sdc Constructions, A-8, Shyam Nagar, Jaipur (Pan No. Abifs9788E).

----Respondent

For Appellant(s)	:	Mr. Nitin Jain with Ms. Kriti Kalawatia Mr. Vaibhav Pareek
For Respondent(s)	:	

HON'BLE MR. JUSTICE INDERJEET SINGH
HON'BLE MR. JUSTICE ASHOK KUMAR JAIN

Order

23/04/2026

Heard learned counsel for the appellant.

This appeal is admitted on the following substantial questions of law:-

B. Whether on the facts and in the circumstances of the case and in law, the Hon'ble ITAT was justified in deleting the addition of Rs.97,00,000/- made under section 68 of the Income Tax, despite the assessee's failure to prove the creditworthiness of the lender companies, whose returned income and financial capacity were not sufficient to advance such large loans?

D. Whether on the facts and in the circumstances of the case and in law, the ITAT was justified in discarding the investigation Wing material *solely on the ground of retraction of third party statements, without examining corroborative evidence and surrounding circumstances, contrary to the settled law that retraction does not automatically efface evidentiary value, as held in NRA Iron & Steel and subsequent High Court decisions?*

E. Whether the Tribunal was justified in ignoring the ratio laid down by the Hon'ble Supreme Court in PCIT v. NRA Iron & Steel Pvt. Ltd. [(2019) 416 ITR 85 (SC)], particularly in view of the detailed analysis and independent enquiries conducted by the Assessing Officer under Section 68 of the Act?

F. Whether the Tribunal erred in law in disregarding the settled principle that mere routing of funds through banking channels does not establish genuineness of a transaction, as laid down by the Hon'ble Supreme Court in CIT v. Durga Prasad More (82 ITR 540) and Sumati Dayal v. CIT (214 ITR 801)?

G. Whether the Tribunal failed to appreciate that once the assessee failed to discharge the initial onus under Section 68 of the Act to prove identity, creditworthiness, and genuineness of the creditors, the burden never shifted to the Revenue, and therefore deletion of the addition was perverse and contrary to settled law?

Issue notice to the respondents.

(ASHOK KUMAR JAIN),J (INDERJEET SINGH),J

Upendra Pratap Singh /39