The Pr. Commissioner of Income Tax-1 & Anr. v. M/s NBC Agri International Pvt. Ltd.

Income Tax Appeal No. 112 of 2025 (in ITAT Agra ITA No. 128/Agr/2024)

2025:AHC:206369-DB | Income Tax Appeal No.112 of 2025 | 2025-11-19

NBC Agri International AY 2017–18: loan findings upheld at section 260A threshold; no substantial question of law.

Income-tax Act, 1961: section 260A

High Court of Judicature at Allahabad | 2-judge bench (Division Bench) | Justice Saumitra Dayal Singh | Justice Indrajeet Shukla

Assessment years: 2017-18

Scope of this order

The assessee retained the appellate relief; no substantial question of law arose on the evidence described.

01 FACTS OF THE CASE

Revenue challenged the Tribunal's 28 March 2025 order in ITA 128/Agr/2024 for AY 2017–18, which had dismissed its appeal from CIT(A)'s 3 January 2024 order. CIT(A) found creditor identity, transaction genuineness and creditworthiness established.

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02 DISCUSSION BY THE HON'BLE COURT

The Tribunal noted the Interim Board of Settlement's acceptance of the creditor's identity and existence, traced the source of the loan through funds received by the creditor from third parties, and recorded banking-channel movements. The High Court treated these as findings on due appraisal of evidence that raised no substantial question of law.

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03 JUDICIAL DECISION

Revenue's appeal was dismissed without costs, as concluded by the factual findings.

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04 OUTCOME / IN WHOSE FAVOUR

The assessee retained the appellate relief; no substantial question of law arose on the evidence described.

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05 EXPERT COMMENTS

Banking movement was part of a wider evidentiary record — The judgment also records identity, genuineness, creditworthiness and tracing of the creditor's receipts. It should not be reduced to a rule that a bank transfer alone proves a loan.

The threshold under section 260A mattered — The Court declined to reopen findings reached on due appraisal of evidence. It did not create a blanket prohibition on challenging factual findings regardless of perversity or legal error.

The settlement reference is specific — The Interim Board's acceptance of this creditor's identity formed part of the reasoning. The order does not state that every settlement finding binds all taxpayers or eliminates the need to establish the transaction.

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SOURCE & VERIFICATION

High Court of Judicature at Allahabad official judgment PDF - AKHB Repository (20251119_UPHC016263842025.pdf)

2-page official High Court of Judicature at Allahabad judgment PDF (20251119_UPHC016263842025.pdf, 373,781 bytes).

Complete source text and every original page visually reviewed; identity and SHA-256 checked. AI-assisted source analysis.

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All 2 physical source pages read and visually inspected. SHA-256: e0098abf8a032b18104ed55af37de820e9e735d43983c9d058bbff9a82a984a0.

STATUTORY SCOPE

Section 260A is expressly identified. The loan evidence and Interim Board findings are described, but sections 68 and 245C are not printed or separately analysed.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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